EAST-WEST RELATIONS: FOCUS ON THE PACIFIC

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EAST-WEST RELATIONS: FOCUS ON THE PACIFIC

THURSDAY, JUNE 10, 1982

United States Senate,
Committee on Foreign Relations,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 4221, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy and Hayakawa.

The Chairman. This morning we open the first of two hearings at the full committee level on Asia and the Pacific. This morning and again on June 16 the committee will examine the Soviet challenge in the Pacific and the United States and allied responses. Our first witness will be the Acting Secretary of State, Walter J. Stoessel. Following his testimony this morning, we will hear from Fred Ikle, Under Secretary for Policy at the Department of Defense.

This committee has been seized over the past year with a number of crises and important issues. Certainly we have worked very closely with Acting Secretary Stoessel in many of these areas. We had the sale of AWACS [Airborne Warning and Control System], which involved the Middle East and we now have a critical situation in that part of the world. We have had guerrilla warfare in Central America. We have had the Falkland Islands crisis, the nuclear question in Europe and, more recently, the situation in Lebanon. So far, we have not been seized with a major crisis in Asia.

I had the pleasure of talking with a member of the Diet who is in our audience today, Mr. Sakamoto. We are pleased to have a member of the House of Representatives of the Japanese Diet with us.

We are grateful we have not had crises, but I think it is important that those in Asia recognize that we should not deal only with crises.

Our committee and the Department of State and the administration are trying to look ahead. You do not have to have a crisis in order to have the attention of the United States, we hope.

The Asian Subcommittee has been diligent in overseeing Asian affairs. From its ongoing hearings on Southeast Asia to its two seminars on China, the subcommittee under the leadership of Senator Hayakawa has played an active role in keeping this committee up-to-date on important Asian issues.

It is our view that the time has come for the committee to take a broad look at Asia and U.S. policy in the region. We need no crisis to direct our attention to this most crucial part of the world. Its oceans, its populations and its economic growth rates are the greatest in the world, and its history as a battlefield on which many Americans have lost their lives commands our attention.

It is said that more people have been killed in armed combat in East Asia since World War II than anywhere else. Sea lanes vital to the United States and its allies link the Indian Ocean, the China Sea, and the Western Pacific. U.S. trade with Asian nations now has reached 26 percent of total U.S. trade worldwide.

This committee recognizes and appreciates the importance of Asia to U.S. interests. Our hearings will explore a number of topics. We will take a look at the nature and scope of Soviet involvement in the region and seek an assessment of the military balance there.

We will address the adequacy of U.S. capability to support foreign policy objectives in the region, including meeting the defense commitment to Japan, Korea, and to other allies. Japan's role in the security and economic development of the area will be explored, and various proposals for resolutions on the issue of Japanese defense spending will be discussed.

We will also touch upon the future direction of the United States-Peoples Republic of China relationship, now at a sensitive point. Finally, we will focus attention on the contributions of our ANZUS allies, Australia and New Zealand, to stability in the area. Southeast Asia is the topic of ongoing subcommittee hearings and will not be addressed in detail in these hearings.

There is just one further aspect on which I would like to comment. This has been a subject that has been of considerable interest to a number of us. It concerns the relative contribution of Japan to its own defense and the common defense. I did initiate a letter, I believe it was a couple of years ago, to Japanese Prime Minister Ohira. The letter was delivered just shortly before his unfortunate death.

At that time and in that letter I tried to express in a friendly way to a nation with which I have had strong friendly and personal ties for over 30 years—just half of it in my public life, most of it in my industrial life—the strong feeling I had that there should be greater mutual efforts for our common defense. We do hope that we will be coming closer to work together with Japan on that particular issue. I have been working on a possible resolution which I think in a friendly way will call for a sharing of information to see that we are both working from the same data base.

What is the threat to our common security in the area? We are well aware of the rapid buildup that the Soviet Union has made in the area. We can see it. Its physical presence is there. We cannot discount that. The Soviets occupy islands that are important possessions of Japan and have built up their military forces on the islands. Obviously the bases that the United States built in Vietnam have now been taken over and are available to the Soviet Union.

This poses a new threat and in a spirit of friendship we ourselves in these hearings want to take these facts into account and encourage our friends in Japan, for instance, in the Diet to also undertake studies that they can share with us so that we can have a commonality of thought.

Certainly we could not be more pleased than to have the Acting Secretary, with the heavy schedule that he has today, symbolize by his personal presence here the importance he attaches to our relationships in that very important part of the world.

Secretary Stoessel, we welcome you very much today.

STATEMENT OF HON. WALTER J. STOESSEL, JR., DEPUTY SECRETARY OF STATE, ACCOMPANIED BY ALBERT SELIGMANN, DIRECTOR OF JAPANESE AFFAIRS; AND PAUL F. GARDNER, DIRECTOR OF REGIONAL AFFAIRS, DEPARTMENT OF STATE

Secretary STOESSEL. Thank you very much, Mr. Chairman. I appreciate this opportunity to discuss the allied response to the Soviet challenge in East Asia and the Pacific. I have a formal statement which I will submit for the record and I would now like to highlight some of the principal points in that statement.

Assistant Secretary Holdridge discussed the Southeast Asia situation before Senator Hayakawa's subcommittee last Tuesday. Today, I will limit my remarks to northeast Asia and the South Pacific countries.

The contributions of East Asian and Pacific nations to the vitality and strength of the free world have grown enormously over the last 10 years. All evidence indicates that they will continue to do so over the next decade.

The largest and longest sustained economic growth rates for advanced, middle-income, and less developed countries are now found in Asia. Japan, Australia, New Zealand, and Korea have not only achieved outstanding success but have stimulated growth throughout the region by transferring resources and technology through assistance programs, investment, and trade. They also have made important contributions to economic growth in the Middle East and in African nations where the United States has vital interests.

This economic vitality is, of course, an intrinsic defense strength. Many East Asian and Pacific countries have embarked on military modernization programs while continuing to improve living standards. More important, perhaps, is the marked contrast between these societies and those of North Korea and Vietnam, whose immense armed forces are a great strain on mismanaged, stagnant economies. This contrast has been noted by the people in the area. It has helped bring about a near collapse of the export market for revolution in East Asia.

The Soviet objective in East Asia is to seek positions of maximum geopolitical strength from which to project power and influence. As in other areas, Moscow has used military force as its chief instrument, perhaps because of its inability to compete in the economic, political, and cultural arenas. Specific Soviet objectives in the region include neutralizing Japan in any future conflict by intimidation and by undermining the United States-Japan alliance, diminishing the security of the sea lanes by positioning forces to interdict the shipment of petroleum and other key commodities, increasing access to Vietnamese air and naval facilities as a means of projecting Soviet military power, and limiting external assistance to China's modernization.

The aggressive use of power by the U.S.S.R. has increased the awareness among Asian nations of the danger posed by the buildup of Soviet forces. Each of our friends has reacted in its own way to the problem. The Japanese have taken what they called a comprehensive security approach to the threat. They believe they can best contribute to regional security through a combination of political, economic, and defense measures. These actions strengthen Japan's security at home and improve its cooperation with industrial democracies in the Third World.

Our security dialog with Japan focuses on a rational division of labor to meet our common strategic concerns. This concept of burden-sharing covers several fields and envisages strengthened self-defense forces that enable Japan to assume primary responsibility for its own defense as well as for the protection of neighboring sea lanes—more effective cooperation between American and Japanese forces under the Mutual Security Treaty.

Japan provides us bases that are indispensable to our strategy of forward deployment in the Asia-Pacific region. Cooperation includes joint planning for the defense of Japan and for Japanese facilitative assistance to our forces in meeting emergencies elsewhere in the Far East; joint exercises which have grown in frequency and in scope; technological cooperation in weapons development; and international cooperation on such issues as Afghanistan, Poland, refugees, and arms control, where Japan's position has been very close to our own.

Turning now to our ANZUS allies, Australia and New Zealand stand guard over a lengthy, secure line of communication between the Pacific and Indian Oceans. Australia, which is in the midst of a 5-year defense modernization program, will soon have a potent naval force backed by modern aircraft and a small but well-equipped and well-trained army. Its contribution to the alliance is an important one, both in terms of defending its island continent and maintaining peace in the region.

New Zealand and Australia have taken active roles in promoting security in the neighboring Southeast Asian and Pacific island nations. Both participate in the five-power defense arrangement and furnish development as well as military assistance to a number of regional states. Their contributions in this respect are very generous in relation to their resource base.

At the annual ANZUS ministerial meeting—which I will attend next week in Canberra—we plan to impress upon Australia and New Zealand our continued commitment to the alliance and to the maintenance of security in the Pacific and Indian Ocean area.

The maintenance of a credible deterrent to North Korean aggression is a key element in preserving peace and security in northeast Asia. In view of the significant advantages North Korea possesses in manpower and equipment, the Republic of Korea's unremitting commitment to force modernization is an indispensable component of this stability. The maintenance of a U.S. military presence in South Korea and the provision of adequate foreign military sales credit are necessary to the Republic of Korea's own defense efforts.

The Republic of Korea maintains an armed force of more than 600,000, backed by a large, ready reserve. To support this level of preparedness, it spends some 6 percent of its gross national product on defense.

Finally, continued good relations with China greatly enhance security and stability in East Asia. We share important strategic interests with the People's Republic of China as well as a common perception of Soviet ambitions worldwide. Our relations are currently at a sensitive juncture due to the Taiwan arms sales issue. We are attempting to resolve this problem through a continuing dialog with Beijing.

The recent visit of Vice President Bush to China demonstrated this administration's desire to bridge differences and to strengthen cooperation. The Chinese welcomed Vice President Bush and showed a spirit of willingness to work toward resolution of our differences. I understand the Vice President himself has just briefed members of the committee on his visit.

The visit to China last week by Senate Majority Leader Baker further contributed to this spirit and certainly enhanced Chinese understanding of congressional views on the sensitive issues before us.

Let me conclude by noting that our allies and friends in East Asia and the Pacific are assuming an ever-increasing share of the defense burden of the area. It is essential that together we transmit a strong and unremitting signal of our resolve to protect our immense interests there.

Thank you, Mr. Chairman.

[Secretary Stoessel's prepared statement follows:]

PREPARED STATEMENT OF HON. WALTER J. STOESSEL, JR.

Mr. Chairman and Members of the Committee: I am delighted with your invitation to discuss allied responses to the Soviet threat in the Pacific. My remarks will focus, as the Chairman's letter requested, primarily on the Japanese, Australian and New Zealand contributions to the region's defense with some remarks about the role of South Korea in stabilizing the Korean peninsula and how we see China's future role. I will also share some of our thoughts about the nature of the Soviet threat in the Pacific.

SECURITY INTERESTS AND ASSETS IN THE AREA

The contributions of East Asia and Pacific nations to the vitality and strength of the Free World have grown enormously over the last ten years. All evidence indicates that they will continue to do so over the next decade.

The dramatic rise of the Japanese and South Korean economies from the ruins of war is, of course, among the world's best known success stories. Less well known perhaps is the role these two nations and the quite different but similarly impressive role the Australian and New Zealand economies have played in stimulating growth in other parts of Asia and the Pacific by transferring resources and technology through assistance programs, investment and trade. The largest and longest sustained growth rates for both advanced and less developed countries are now found in Asia.

Asian and Pacific nations are in turn playing an increasingly important role in strenthening more distant parts of the Free World. Japanese aid programs are now directed not only to East Asia, but to far away Middle East and African nations; Korean construction companies are carrying badly needed skills and assets to the Middle East and Southwest Asia, and Korea has begun a modest aid program. Australia and New Zealand have continued to assume critical international economic, political and peace-keeping responsibilities.

The economic success stories of Pacific, Northeast Asian and most recently Southeast Asian nations are based to great extent, I believe, on the fact that each nation has been free to carve out its own place in the world's market economy without sacrificing values and traditions important to the identity of their societies. Together they comprise a highly cooperative, also competitive, and therefore efficient central element of what we have come to call the free market system.

In attempting to describe in broad terms the extremely valuable Free World assets which must be defended in East Asia and the Pacific, I hope I have also pointed to some of its intrinsic defense strengths. The stark contrast between the thriving, dynamic, free economies of the Republic of Korea and the ASEAN states with the stagnant, rigidly controlled, and highly unproductive systems of the neighboring North Korean and Indochinese communist states has not gone unnoticed. The pragmatic cooperative approach China is now taking in charting its own course toward modernization, a change which has immense strategic implications, undoubtedly stems in part from observation of these differences. The export market for revolution among lesser developed countries in the region has virtually collapsed.

Unfortunately, the Soviet Union and some of its friends have taken to a more direct and blatant course to their objectives. The Soviet occupation of Afghanistan and the Soviet-supported Vietnamese invasion of Kampuchea are clear examples. The strength of the Vietnamese and North Korean armed forces, which greatly exceed defensive needs, and the marked build-up of Soviet power in the Pacific raise the threat of further actions of this sort.

SOVIET THREAT

The Soviet objective in East Asia. As in other regions, is to seek positions of maximum geopolitical strength from which to project power and influence. As is implicit in the Soviet force buildup to be summarized today by the Department of Defense, the Soviets put a premium on military force as an instrument of geopolitical strength. The Soviet force buildup—globally and in the Pacific—far exceeds any legitimate defense requirements.

Soviet objectives which directly affect the countries on which our discussion is focused today include:

Neutralizing Japan in any Conflict, weakening existing defense ties, and ultimately isolating Japan. Incidentally, during the past three years the Soviets have increased their forces in the Kurile Islands they occupy north of Hokkaido to approximately 10,000 personnel. Moreover, Soviet strong points in the islands overlook strategic sea lanes linking the seas of Japan and Okhotsk with the northern pacific. In time of war, Soviet forces could stage from the islands for attacks on Hokkaido to secure these vital sea lanes and prevent the Soviet fleet from being bottled up in Vladivostok.

Threatening the security of the sea lanes, thereby putting themselves in a position to interdict middle eastern petroleum to our major allies during a period of international crisis. This would also permit the Soviets to threaten vital trade among regional states such as exists between Japan and Australia. In a crisis the Soviets might also seek to deny East Asian routes of access to the Indian Ocean to the U.S. or anyone else for that matter. As is apparent from the Defense Department's description of the Soviet naval forces in the Far East. Much of the increased threat to sea lanes of communication derives from the following Soviet naval trends:

(1) Diversity and improvement in warship, aircraft and weapons capability;

(2) Large increases in at-sea and distant deployment operations; commitments by the Soviets to strike for naval superiority; and

(3) Increased awareness by the Soviet leadership of the leverage which accrues to a nation with sizeable and strong maritime resources, especially a large, modern navy.

Soviet objectives which represent a significant longer term, but less direct threat to Northeast Asia include:

Increasing and maintaining access to Vietnamese air and naval facilities, as a means of projecting Soviet military power and political influence throughout the region, especially among ASEAN countries. Access to these facilities greatly extends the Soviet military reach in the Pacific. From airfields in Vietnam, Soviet bombers could attack much of southern China, now out of range of aircraft based in the Soviet Far East, with the exception of the backfire bomber. Access to Vietnamese facilities increases the threat to the Philippines, which currently have the only U.S. bases near mainland Asia which are not vulnerable to combined Soviet air and naval attack from existing bases in the Soviet Far East.

Reduction of ASEAN's links with the west—The establishment of ties to ASEAN states is a long-term Soviet objective. As one means of loosening U.S.-ASEAN ties. As well as ties among ASEAN states, the U.S.S.R. seeks to undermine resolution of the Kampuchean problem based on the declaration of the United Nations sponsored international conference on Kampuchea which called for Vietnamese withdrawal and Khmer self-determination.

Limit external assistance to China's modernization efforts, by exploiting trade links to discourage Western Europe and Japan from close economic and defense ties with China. The Soviets are also employing diplomatic overtures to draw the Chinese away from western relationships.

In short, the increasingly formidable Soviet military capabilities in East Asia combined with objectives inimical to United States and allied interests, present a challenge.

The East Asian and Pacific states are adapting their defenses to respond to these changes in the security environment. Some may not proceed at times with the dispatch that we desire but most are doing much more with less assistance from us than has ever been the case in the past. While our increased Foreign Military Sales credits to Korea, for example, are highly important in a real as well as a symbolic sense, they do not in fact cover yearly payments on past debts to us and the Republic of Korea is dipping deep into its own resources to finance its military modernization. In working out with our friends and allies our separate contributions to the area's defense, it is important that we do not inadvertently neglect our greatest source of strength, which is the cooperative, competitive and highly productive system we have built up among our societies over the past two decades.

I will now turn to some of the efforts being taken by some important treaty allies of the United States to cope with the Soviet threat.

JAPAN

The Soviet military buildup in East Asia, and the significant strengthening in the past two or three years of Soviet military forces in the Japanese islands north of Hokkaido have reinforced the traditional suspicion with which most Japanese regard the Soviets. Aggressive use of power over the past decade by the U.S.S.R., has increased Japanese awareness of the danger that Soviet actions pose for their interests. While few Japanese believe Japan should respond in kind to the growth of Soviet military power, responsible Japanese in and out of government recognize the need for closer cooperation with the West. A consensus has grown for steady improvements in Japan's Self Defense Forces while at the same time the nation continues to rely on the United States-Japan Security Treaty and the nuclear umbrella associated with it. There is growing recognition that the defense responsibilities assumed by the United States in areas such as the Middle East serve Japan's security as well. Thereby arguing for enhanced Japanese defense efforts.

Recent Japanese governments, including that of Prime Minister Suzuki, have maintained that Japan can most usefully contribute to stability and peace in the Asia-Pacific region through a combination of political, economic, and defense measures designed to strengthen Japan's security posture at home and improve its cooperation with both the industrial democracies and the Third World. This approach has come to be labelled "comprehensive security." Rather than emphasizing percentages of GNP and other contentious—and often misleading—measures of defense performance, our security dialogue with Japan has in turn stressed a more rational and appropriate division of labor to meet our common strategic concerns. This concept of burden sharing is evident in the following areas:

Strengthened Self Defense Force (SDF) capabilities that will allow Japan to assume primary responsibility for its local defense as well as protect the sealanes in the Northwest Pacific upon which its economic security defends. I should emphasize our view that such capabilities remain within Japan's well-known constitutional constraints on the projection overseas of offensive military power, are consistent with the provisions of our Mutual Security Treaty with the Japanese, and should not cause undue concern among Japan's neighbors. There have already been substantial improvements in the Self Defense Forces, but the Japanese government itself acknowledges that there are still significant shortcomings in such essential areas as air defense, anti-submarine warfare, logistics, and communications. Both Secretaries Haig and Weinberger have urged their Japanese counterparts to accelerate their government's efforts to rectify these weaknesses.

More Effective Cooperation Between United States and Japanese Forces.—Under the Mutual Security Treaty, Japan provides the U.S. bases that are all but indispensable to our strategy of forward deployment in the Asia-Pacific region. Japan has made increasing contributions to the maintenance and improvement of these facilities—their direct and indirect support of U.S. forces this year will exceed $1 billion. In recent years this support, which increased 25 percent in the current budget, has embraced new areas such as partial assumption of our local labor costs and the construction of new operational facilities.

Joint Planning.—Since the adoption of the "United States-Japan Guidelines for Defense Cooperation" in 1978, United States and Japanese military staffs have worked together in formulating specific plans for not only the defense of Japan, but recently, for Japanese facilitative assistance to our forces in meeting emergencies elsewhere in the Far East.

Joint Exercises.—Joint exercises involving all three services have grown in frequency and scope each year. Naval forces, for example, participate with us in the annual multinational RIMPAC exercises.

Technological Cooperation.—We have been working closely with the Japanese in regard to weapons development in meetings of the systems and technology forum, and look forward to Japan's adoption of a policy that will permit a full two-way flow of defense technology.

Efforts in Related areas of Common Interest.—Japan's positions on such international issues as Afghanistan, Poland, refugees and arms control have been close to our own. In undertaking a more assertive foreign policy, Japan has made increasingly clear its identification with Western interests. We are of course interested in Japan's expanding foreign aid programs, particularly to such countries of strategic importance as Thailand, Pakistan, Turkey, Sudan, Egypt, and the Gulf States. Recently, Japan has voiced support for the Caribbean Basin initiative. Japan is committed to doubling its overseas aid level between 1979 and 1984.

Japan's commitment to greater security efforts is evident in the increase of its 1982 defense budget ($11.8 billion) by 7.75 percent. A decision made in the face of severe budgetary pressures which resulted in cutbacks of most GOJ domestic programs. We give due credit to this and other steps the Japanese have taken to strengthen their defense posture, but we have pointed out—most recently during Secretary Weinberger's visit to Tokyo last month—that the United States and its other allies also face serious domestic problems in taking necessary defense measures. We will continue to urge that Japan accelerate its security efforts so that we can cooperate effectively in coping with the Soviets challenge.

AUSTRALIA AND NEW ZEALAND

Australia and New Zealand anchor the southern end of the Western line of defense in East Asia and the Pacific. They also stand guard over a secure, if lengthy, line of communication between the Pacific and Indian Oceans which was of great value in World War II and would be today in the event of war. Both are old allies that have fought in every war involving the United States in this century, from World War I to Vietnam. Since 1951 we have been formally linked with them through the ANZUS mutual defense treaty and the Manila Pact.

Both countries continue contributions to peace, security and economic development of contiguous regions that have been vital to the free world. Through the Five Power Defense Arrangement, the two ANZUS allies are linked with Malaysia, Singapore and Great Britain. Australia currently maintains air force units in Malaysia, while New Zealand has an infantry batallion at Singapore. Joint exercises, training and consultations are undertaken.

Both countries also maintain close economic and security assistance links with the other three members of the Association of South East Asian countries (ASEAN), Indonesia, Thailand and the Philippines. Finally, New Zealand and Australia have played important roles in assisting the new island nations of the Southwest Pacific to develop peacefully and, through the Commonwealth, have played a constructive role in countries like Zimbabwe and, most recently, Uganda.

From the defense standpoint, Australia, with a larger population and a more prosperous economy than New Zealand, makes a quantitatively greater contribution to both security and economic development in contiguous regions. Australia's defense budget is projected at US$4.4 billion in 1982–83 or about 2.9 percent of GDP. Moreover, in 1980 a five-year defense modernization and buildup was adopted calling for an increase of 7 percent in defense expenditures in real terms and procurement of over US$500 million annually, mainly from the United States. When this expansion is completed, Australia will have 75 F–18 aircraft to supplement and then replace its aging Mirage III's; it is purchasing 10 new P–3C Orion maritime patrol aircraft to replace an earlier model giving it a total of about 20 such aircraft, and it is modernizing its RF/F–111C strike and reconnaissance squadron. The Royal Australian Navy has agreed to purchase the British aircraft carrier "Invincible" to replace its aging HMAS "Melbourne" and has ordered a fourth FFG guided missile frigate from the United States. With its six "Oberon" class submarines and "River" class destroyer escorts, it will soon have one of the most potent naval forces in its region. These air and sea forces, backed by a small but well-trained and equipped army, make Australia's contribution to the alliance an important one, both in terms of defending its island continent and of maintaining peace in the region.

New Zealand's forces are proportionally smaller than Australia's; roughly 12,640 regulars compared to 71,000 Australians, but they too are exceptionally well-trained and effective. In addition to the contribution of helicopters, pilots and ground crew that the GNZ has contributed with Australia to the Sinai peace-keeping force, and it's role in Singapore and Malaysia, New Zealand plays an important civic action role among the small nations of the Southwest Pacific such as the Kingdom of Tonga, Fiji and Western Samoa. Most recently, New Zealand and Australian forces rendered critical aid to Tonga following a devastating hurricane. New Zealand has also provided military and civilian advisors and equipment to the armed forces of these countries. With a military budget of about $400 million and facing difficult economic circumstances, there has been little opportunity for the GNZ to undertake an ambitious program of defense modernization. The GNZ is doing all it can; it will, for example, purchase two "Leander" class frigates to replace the two oldest of the four in its Navy.

KOREA

The maintenance of a credible deterrent to North Korean aggression against the South is a key element in preserving peace and security in Northeast Asia. It is this objective to which our assistance to the ROK, as well as that country's own very substantial efforts have been devoted. Our own contribution to that shared objective has frequently been reviewed by this and other committees of the Congress. It is substantial. We maintain as you know some 39,000 military personnel in the ROK, including the 2nd Infantry Division just south of the DMZ. We have recently taken steps to improve the capability of those forces by providing them with more modern weapons and aircraft. We have also maintained a high level of military assistance, in the form of FMS credits, to the ROK. Although Congress has appropriated $166 million in FMS credits for fiscal year 1982, we recently forwarded a request for a $29 million supplemental. We have proposed a $210 million program for fiscal year 1983. These levels of assistance are in our view essential in view of the persisting military imbalance on the peninsula and the steady and continuing buildup of North Korean forces.

Our assistance is also justified when placed in the context of South Korea's own efforts to meet the threat from the North. The ROK maintains an armed force of more than 600,000, with a ready reserve several times that. To support this level of military preparedness, it spends some 6 percent of its gross national product on defense. While Korea has achieved remarkable economic progress over the past 20 years, it nonetheless remains a developing country, whose domestic economic requirements remain, in many respects, unfulfilled. The burden imposed by its military expenditures has been especially heavy during the past 2 years of economic recession and gradual recovery. Nevertheless, the ROK has not faltered in its commitment to redress gradually the unfavorable balance with the North and to deter aggression.

Our alliance with the Republic of Korea, and both Korean and U.S. efforts to strengthen the military forces at the disposal of that alliance, are directed only toward deterring an attack upon the South by the North and repelling such an attack if it should ever come. Nevertheless, while this is a narrowly defined geographic objective, its importance extends far beyond the peninsula and is as I have suggested, vital to the peace and security of the entire region. In this important sense, ROK defense efforts and our support of them figure prominently in our broader objectives vis a vis the Soviet Union in East Asia.

CHINA

China is a friendly, non-allied country with which we share important strategic interests, including a common perception of threatening Soviet ambitions worldwide. In the Pacific area specifically, the PRC plays a significant international role by maintaining consistent pressure on the Vietnamese to withdraw from Kampuchea and Laos and on the Soviets to leave Afghanistan. China's opposition to Soviet and Soviet-proxy aggression, which results in the tying down of nearly one-half million Soviet and 250,000 Vietnamese troops on Chinese borders, is an important factor in maintaining regional and global peace and stability.

Beijing, moreover, strongly supports our security ties with Japan and the concept of strengthening Japanese defensive rearmament. China also supports the presence of U.S. bases in Asia and a strong U.S. naval presence in the Pacific as a counter to further Soviet moves into the area. For the same reason, China shares our interest in maintaining stability on the Korean peninsula and has parallel security commitments to such U.S. friends as Thailand and Pakistan.

Our friends and allies in Asia attach great importance to development of a healthy Sino-U.S. relationship. Close U.S. ties with China are considered a key element in China's economic development and thus to China's continuing progress as a responsible participant in the Asian and world economic order. U.S. relations with China are also seen by our Asian friends as a positive influence on the future direction of China's foreign policy and as a stimulus to regional cooperation and development.

We believe that continued good U.S. relations with China greatly enhance security and stability in East Asia. United States-China relations are currently at a sensitive juncture due to the Taiwan arms sales issue. We are attempting to resolve this problem through continuing dialogue with Beijing. The recent visit of Vice President Bush to China demonstrated this administration's desire to bridge our differences and preserve and strengthen the important relations and cooperation between the United States and China. The Chinese welcomed Mr. Bush and showed a spirit of willingness to work toward resolution of our differences. The visit last week by Senate Majority Leader Baker further contributed to this spirit and certainly enhanced Chinese understanding of Congressional views on this sensitive issue.

CONCLUSION

In summary, while our defensive burdens are heavy and we continue, by necessity to make the largest single contribution of any country, our allies and friends are continuing to assume an ever increasing share of the burden. Given the increasing Soviet threat to our common interests, it is essential that we, our allies and our friends transmit an unremitting signal of resolve to protect these interests for so long as they continue to be threatened.

The CHAIRMAN. Thank you very much, Secretary Stoessel. You have touched on a number of areas that I would like to have some expansion on. Your prepared testimony will be incorporated in the record.

There is a good deal of discussion about the question of the percentage of GNP that Japan does devote to its defense, that it does spend less than 1 percent of its GNP. The U.S. expenditure is about 6 percent. And we must take into account that not only the military buildup has been very strong in the Pacific on the part of the Soviet Union but also the threat through Afghanistan, because of the Soviet invasion of Afghanistan, is serious to the vital oil supply lines that nourish the industrial base of Japan.

If they were cut off, Japan would be decimated and its economy would be decimated. Japan is far more dependent, as is Western Europe, than we are on Mideastern oil. I wonder if you could be as specific as possible in talking about whether the administration does believe that the Japanese, though they have made improvements, should continue in their own interest as well as in the common interest to make a greater effort to contribute to Western security.

Secretary STOESSEL. Mr. Chairman, I would say that yes, we do feel that more is needed on the part of Japan to attain a level of forces which in her own interest would be desirable for protecting the home islands and the neighboring sea areas and sea lanes.

They have in Japan been increasing their efforts and we have welcomed this. The last budget of Japan showed an increase of 7.8 percent in defense expenditures, this at a time when expenditures for other items were either decreased or maintained at a level rate. So this, I think, was a welcome sign of their recognition of the need to do more. We hope that this will continue.

We are in constant consultation and discussion with the Japanese about these matters. The Prime Minister himself has suggested that an objective for Japan should be the capability to defend the sea lanes out to a distance of 1,000 miles. We think this is a very desirable and reasonable objective and we wish to cooperate with Japan in enabling her to attain that kind of capability.

The CHAIRMAN. When Prime Minister Suzuki was here last year he did make the statement that was warmly welcomed by the Senate, that Japan was willing to take responsibility for the defense of the sea lanes 1,000 miles beyond Japan's shores. Does the administration consider this a pledge from Japan and could Japan control the sea lanes without controlling the air space?

We have to look at the Falkland Islands to see control of the sea lanes does not necessarily mean only ships. When will Japan have the capability to perform this function in the judgment of the administration?

Secretary STOESSEL. Mr. Chairman, I would say first that we do consider this a reasonable and desirable objective on the part of Japan. I think it is quite clear also that their present capabilities are not such as to give them that capability and more will be needed not only for surface ships but also for air reconnaissance and air protection. So those will have to be acquired in future programs.

I am not able myself to give you a definite time projection on how soon this can be accomplished. Perhaps this would be better addressed to Mr. Ikle when he appears.

The CHAIRMAN. Looking ahead for the next few years and Japan's plans are very carefully made several years in advance, the Japanese press reported that Secretary Weinberger made a very strong statement to the Japanese during his recent trip to Tokyo citing the need for the Japanese Government to increase its defense expenditures by 11 to 12 percent after 1983.

Does the Department have a reaction to these kinds of suggestions that came back to us from Japan?

Secretary STOESSEL. We have felt that Japan should do more, and in our consultations with Japan I think we have found very substantial agreement on the goals. We in our public statements have not focused so much on specific percentages. We are more interested in defining the defense missions and believe that such an approach is probably the sound one in light of public opinion in Japan, where there is, I believe, an overall general consensus that Japan should do more.

However, there is sensitivity on this score and public discussion of specific figures and percentages has caused some adverse reaction. So I would say again that we feel that more should be done and we are pursuing this in our direct discussions through diplomatic channels with the Japanese.

The CHAIRMAN. Mr. Secretary, this particular hearing is a specific fulfillment of the pledge I made on the floor of the Senate last year to Senator Helms. I indicated that we would hold this hearing if he would be good enough to withdraw a resolution that he had on the floor calling for an updating of the United States-Japan Security Treaty. I felt that it would be much better to hold a hearing at this particular time rather than try to deal with it at that time on the Senate floor.

It is, therefore, important, however, that we do communicate our views with allies and friends. There are a number of resolutions pending now in the Congress calling for increased defense spending by Japan. Would you expect that the passage of a reasonably worded resolution would be a help or a hindrance in your discussions with the Japanese on this issue?

Secretary STOESSEL. Mr. Chairman, obviously much would depend on the actual wording of such a resolution. I think in general if, as you say, it is a reasonably worded resolution which does not appear to dictate to Japan what that country should do in its own interest, a statement of a need for greater defense contributions could then be of greater assistance in our efforts.

The CHAIRMAN. With respect to the possibility of a resolution on the floor calling for an updating of the Security Treaty, there has been talk both here and in Japan of the need to revise the Security Treaty to create what some call a more equal alliance.

In your judgment, is this necessary? Second, what effect would passage of a congressional resolution calling for updating the treaty have in Japan?

Secretary STOESSEL. Our position on that, Mr. Chairman, is that the treaty has proved to be a flexible instrument. It has been able to accommodate changes which have occurred over the years since it was signed.

We do not believe that it would be advisable to reopen the treaty for revision, and that it is sufficiently flexible as it stands to accommodate any changes which would seem to be necessary.

The CHAIRMAN. Finally, on this subject, in the letter that I sent to Prime Minister Ohira which was signed by 39 of my colleagues and I am sure if we had asked them a total of 99 colleagues would have signed it with me, we did ask that consideration be given to increasing foreign assistance.

I mentioned particular areas where increased assistance for development of a country would directly relate to oil security. There are countries in the Gulf area with which we have worked and with which we have been working to develop a basis that can be used for our common protection out there. Japan has increased its foreign assistance to Asian nations and has provided economic assistance to such nations as Turkey, Egypt, Pakistan, and Jamaica.

But Japan's foreign aid as a percentage of GNP is still only marginally larger than that of the United States. Would it be possible and useful for Japan to undertake a study regarding the possibility of Japan's making a rather dramatic increase in its foreign assistance spending in a way which could alleviate the burden on the United States and which could more equitably share and be an offset for the considerably smaller proportion of their GNP and budget spent for actual defense purposes?

Secretary STOESSEL. I think this certainly would be possible. Japan, as you have noted, has become more active in the field of foreign assistance, going beyond the immediate Asian area. The trend is in that direction. I believe they are interested in doing more under their concept of a comprehensive defense strategy where foreign assistance definitely plays a role.

So I would feel that encouragement in this direction would be well received.

The CHAIRMAN. Senator Hayakawa, previously I had in my opening statement commended the way, without crises on our hands, you have consistently kept the attention of this committee through your subcommittee chairmanship on this very vital and important part of the world. I will yield to you in just a couple of minutes and would ask if you could chair the hearing for a few minutes while I go over and introduce to another committee an Illinois constituent who is a nominee of the President to an important post. I will be back here after that.

They are going to call me in just a few minutes when the witness is ready to appear.

I would like, Mr. Secretary, to have you expand just a little bit on the comments you made on China and Vice President Bush's visit there. We had planned to meet with him yesterday but regretfully because of the situation that developed in the Middle East he was unable to meet with us.

Could you amplify somewhat on the progress that has been made in allowing us to bridge this problem we have with Taiwan defense and move right ahead to strengthen and improve in every way our relationship with the People's Republic of China, which seems to be the firm policy of this administration and is strongly backed by the Senate, certainly, and this committee?

Secretary STOESSEL. Mr. Chairman, the question regarding arms sales to Taiwan and the criticism made of that by the People's Republic of China has been under active discussion now for a number of months. We feel that in the exchanges which have taken place between the United States and the PRC, progress has been made toward resolving this problem and reaching a kind of modus vivendi, but we have not yet reached a final conclusion on it. We have discussions at many levels, including the embassy in Beijing, the talks between Secretary Haig and the foreign minister of the PRC, and most recently the Vice President's visit. All of these have moved matters forward somewhat.

As I said in my remarks, we are hopeful that we can find a solution to this problem, so that we can get on with the overall effort toward improving and strengthening the United States-Chinese relationship. I would note that in other areas we have made great progress with regard to trade, with regard to exchanges of many kinds. The progress has been quite striking, and all indications are that this corresponds with the basic desire of the Chinese leadership. They want to see this developed, and that is certainly our desire.

The CHAIRMAN. I thank you very much indeed.

Senator Hayakawa, I will be back in just a few moments. We will try to have Mr. Ikle take the witness stand at approximately 11 o'clock. He has just arrived, but I do have just one question which, if I do not get back, I would ask you to ask for me if you would, but I have just received notice that they are ready for me over at the other committee.

Senator HAYAKAWA [presiding]. Good morning, Mr. Secretary.

Secretary **Stoessel**. Good morning, Senator.

Senator **Hayakawa**. Let me continue with the line of questioning which Senator Percy was engaged in when I came in. This is one point on which I need some clarification. I understand that a considerable amount of help for defense purposes is being given by Japan, but it is disguised in their budget as something else. That is, if I remember correctly, they are providing facilities for the stationing of American troops in Japan. They are providing facilities for refitting or outfitting American ships in Japanese shipyards or Japanese seaports, and these do not come under defense expenditures in their budget, but nevertheless, they are an assistance to their own defense and assistance to American defense forces.

Can you enumerate some of these things for me? Do you have any idea what precisely I am getting at? I have only a vague memory of what people have been telling me about this.

Secretary **Stoessel**. Senator, you are quite right. Japan does assist the United States in these matters which you have discussed. The Japanese, of course, provide facilities for our forces in Japan: The bases there, the ship repair, and local labor costs. The total figure is approximately $1.1 billion a year.

Senator **Hayakawa**. Is that what it costs Japan?

Secretary **Stoessel**. That is true, but that is included, however, in the defense budget.

Senator **Hayakawa**. Oh, it is? I see.

Secretary **Stoessel**. Yes; it is a very important aspect of it.

Senator **Hayakawa**. It does not alarm the Japanese to the same degree as a similar expenditure on their own armaments would alarm them? Is that the idea?

Secretary **Stoessel**. Well, that is perhaps part of the picture, yes.

Senator **Hayakawa**. There is a strong pacifist sentiment in Japan which we have to continue to try to overcome, but the Japanese do specifically designate this as a part of their own defense budget?

Secretary **Stoessel**. Yes; that is true.

Senator **Hayakawa**. Thank you. I am glad to have that cleared up. The Soviet threat is perceived as something to be feared in Japan, is it not, especially with the occupation by the Soviets of the Kuriles and with Soviet troops up in those islands, in Sakhalin, and very close to Japan itself? What is the Japanese view of these things?

Secretary **Stoessel**. I would say their concern about the Soviet military buildup and the Soviet intentions has grown greatly in recent years, and that there is now a greater understanding of the need to have a deterrent against Soviet adventurism. As you have noted, the Soviets are very close to Japan in the northern islands. The Soviet defense forces not far away are quite strong. We know that the intermediate range missiles stationed in the Soviet Union, in the Far Eastern part, also could be a threat to Japan. There is concern about that.

So, I would say that overall, the comprehension of this situation has increased in Japan, and this is in a way overcoming that pacifist trend of which you spoke. There is more understanding of the need to have a strong deterrent.

Senator **Hayakawa**. What is the purpose that the Soviets have in mind in having troops stationed in the Kuriles?

Secretary STOESSEL. Well, I believe, as I said in my remarks, that the Soviets are interested in expanding their own influence in the whole Asian area, and in utilizing whatever possibilities are available to them to promote this objective. Their presence in the northern islands gives them a geographic launching pad if necessary. We have also seen their interest in Vietnam, and the support of the Vietnamese invasion of Kampuchea, just as an example. So, they are active wherever they find an opportunity.

Senator HAYAKAWA. Well, in the Kuriles, for example, do they have sophisticated launching pads for missiles and things of that kind for long-distance attack on potential enemies?

Secretary STOESSEL. They certainly have military installations there and facilities which could be used for mounting operations of an offensive kind. I believe, and this is subject to correction, that there are no long-range missiles in that area. Those are stationed in the homeland, but are in an area from which Japan could be threatened.

Senator HAYAKAWA. When you say the homeland, are there such installations, then, in Siberia?

Secretary STOESSEL. Yes. That is what I have in mind.

Senator HAYAKAWA. From which Japan can be threatened?

Secretary STOESSEL. That is right.

Senator HAYAKAWA. From your information, is this something that is a concern of Japanese officials only, or is it widely known to the general public so that it is a matter for public concern?

Secretary STOESSEL. I believe it is a matter for public concern. There is a growing awareness of this. We certainly know it is of concern to Japanese officials.

Senator HAYAKAWA. There is a Japanese concern and fear about Russia which goes back certainly to the days of the Sino-Japanese War of 1894–95, as well as the Russo-Japanese War of 1904 and 1905. It doesn't matter whether it is imperial Russia or Communist Russia. The Russians have always been a threat to Japan. In their continuing squabble about the northern islands, there has been continuing insistence by Japan that they be returned to Japan.

Secretary STOESSEL. Yes, the question of the northern territories has been a continuing and long source of friction.

Senator HAYAKAWA. And there is no solution in sight?

Secretary STOESSEL. That is correct. The Soviets seem very adamant that they are going to stay there.

Senator HAYAKAWA. If they stay there, will they make military stations out of them?

Secretary STOESSEL. Yes; there are military facilities there.

Senator HAYAKAWA. They just don't use it for mining, farming, or other peaceful purposes?

Secretary STOESSEL. That is correct. I am told there are approximately 10,000 Soviet troops stationed in those islands.

Senator HAYAKAWA. Really, 10,000?

Secretary STOESSEL. Yes. That is quite a number.

Senator HAYAKAWA. I think Senator Percy has pretty well covered most of the questions as regarding the Soviet Union and Japan. A most recent edition of Newsweek reports that the United States and China may be nearing resolution of their disagreement on arms sales to Taiwan. The Senate, and this committee in particular, have a longstanding interest in and involvement in this issue, and expect to be consulted before the administration makes final decisions on U.S. policy. What are the administration's plans to consult with Congress?

Secretary STOESSEL. Senator, I think the record shows that we have been in very frequent touch with this committee on this subject. Assistant Secretary Holdridge has had a number of briefings, I believe, with your own subcommittee, and it is certainly our desire and intention to stay closely in touch with the committee on this subject. As I mentioned earlier, we are hopeful that we can resolve the problem with the People's Republic of China of this matter. However, I believe it would be incorrect to raise expectations that this will happen in the very near future. We are working at it. We have made progress, and we certainly will keep closely in touch with the committee about it.

Senator HAYAKAWA. The Newsweek story says well informed sources now say—it is those ubiquitous well informed sources—

> Within the next 2 months, the United States is likely to present the Chinese a new draft proposal and expects to include three basic elements, the U.S. reaffirmation of the principle of one China, a Chinese restatement of Peking's commitment to reunification with Taiwan by peaceful means, and most importantly, Washington's agreement to eventually phase out U.S. arms sales to Taiwan.

Are we about to agree, if I may follow Newsweek in splitting an infinitive, to eventually phase out arms sales to Taiwan?

Secretary STOESSEL. Senator, I would say that that news story is not a correct one. I am not in a position now to go into the details of our discussions with the Chinese on this subject, but I would like to confirm that we have very much in mind our obligations with regard to the defense of Taiwan as stated in the Taiwan Relations Act. We recognize that commitment, we adhere to it, and we are not about to deviate from it.

Senator HAYAKAWA. The story also says that the Chinese have been insisting on a specific date for such a cutoff, but are already backing away from this precondition. So, it is my understanding that they are then not insisting on naming a cutoff date.

Secretary STOESSEL. Senator, I really would prefer not to go into the details of the negotiation in this forum.

Senator HAYAKAWA. Thank you.

Is Mr. Ikle here?

Secretary Stoessel, I want to thank you very much for your appearance here today.

Secretary STOESSEL. Thank you very much, Senator Hayakawa.

Senator HAYAKAWA. It is a pleasure to welcome from the Department of Defense the Under Secretary of Defense for Policy, Dr. Fred Ikle. It is good to see you, Dr. Ikle. Do you have a prepared statement?

Dr. IKLE. Yes, Senator, I do. With your permission I will briefly summarize it and submit my full statement for the record.

Senator HAYAKAWA. Please do.

STATEMENT OF HON. FRED IKLE, UNDER SECRETARY OF DEFENSE FOR POLICY, DEPARTMENT OF DEFENSE, ACCOMPANIED BY TALBOT S. LINDSTROM, SPECIAL ASSISTANT, UNDER SECRETARY OF DEFENSE FOR POLICY, DEPARTMENT OF DEFENSE; JAMES R. MARTIN, ASSISTANT FOR REGIONAL STUDIES, EAST ASIA AND PACIFIC REGION, INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE; AND JAMES E. AUER, ASSISTANT FOR JAPAN, EAST ASIA, AND PACIFIC REGION, INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE

Dr. Ikle. I am indeed happy to have this opportunity to discuss the Soviet challenge in the Pacific and the response of the United States and its allies. We believe there is good reason to expect that United States interests in Asia and the Pacific, already of vast importance, will become more important as the region's economic activity and potential continues to grow.

During the past decade and a half, the Soviets have taken disturbing steps to enlarge their military capabilities and expand their influence throughout the region. These efforts continue unabated. Soviet ground forces east of the Urals, including those on the Sino-Soviet border, have increased since 1965 from 150,000 to almost half a million today. Recently issued modern equipment provides these forces increased mobility and fire power and improves their command and communications systems.

Soviet air forces in the four easternmost military districts are equipped with more than 3,000 combat aircraft, and the Soviets have approximately 100 SS–20 missiles, one-third of their SS–20 missile force deployed in Asia where they can strike United States and allied installations throughout the region.

The significant growth of modernization of the Soviet Pacific fleet has been of special concern to us. It is the Soviet Union's largest fleet, and contains roughly—Good morning, Mr. Chairman. I am just summarizing the statement which I will submit in full.

The Chairman [presiding]. Thank you.

Dr. Ikle. The Soviet Union's Pacific fleet is the Soviet Union's largest fleet, and contains roughly one-third of all Soviet submarines, one-fourth of its principal surface combatants, one-third of all naval aircraft. Let me give you a feel for the size of the Soviet Pacific fleet. There are more than 80 principal service combatants, about 120 submarines of all types, dedicated land-based aviation, including—let's not forget—the nuclear capable backfire bomber. All this gives the Soviet Union a significant naval capability. Soviet use of ports and airfields in Vietnam aids their Indian Ocean deployments and improves, of course, their surveillance capabilities in the Pacific.

Mr. Chairman, we must also not forget the Vietnamese, with the largest, strongest, and most battle-tested military force in Southeast

Asia. They are a significant threat, independent of the Soviets. Then there is North Korea, which maintains a large, formidable, highly trained military establishment supported by continuing defense expenditures which we estimate total at least 20 percent of their gross national product.

It is our policy to help maintain peace in the region and to encourage and support the stability and independence of friendly nations. We have now stopped the trend of the 1970's which saw our Pacific force structure reduced to well below the pre-Vietnam, that is to say, the 1960 levels. The force structure of the Pacific Command has remained relatively constant over the past year, and has benefited from the recent improvements in readiness, sustainability, and modernization of equipment.

In particular, the Naval force improvement include the introduction of the *Perry*-class guided missile frigates, continued addition to the fleet of *Los Angeles*-class attack submarines and *Spruance*-class destroyers, and introduction to the Pacific this fall of the first Trident fleet ballistic missile submarine.

In Korea, we are replacing older F-4D fighter bombers with newer F-16's, and have introduced a squadron of A-10 close air support aircraft. Our Army division in Korea has been provided new antitank helicopters and long-range artillery.

The 1982 budget and the proposed 1983 budget provide for increases in war reserves, fuel, ammunition, supplies, and other readiness enhancing improvements. However, they do not provide for the type of force structure increases which would enable the Pacific Command to meet its responsibilities simultaneously and adequately without reinforcement. Priority requirements in Europe and Southwest Asia are likely to perpetuate shortfalls in resources available to the Pacific.

We have requested funds to lease land in the Northern Marianas which, with our facilities in Guam and land in Palau now provides us critically needed training areas, and will insure that we retain a major alternative basing option should a change in our Pacific strategy or in our access to other facilities require it. Congress needs to act quickly, because the land-lease option expires on January 9, 1983, just 100 days into the new fiscal year. A failure to fund this 50-year lease, which would be renewable for another 50 years, would throw away an option that might be of tremendous value in the future. Funding the lease option would signal that the United States intends to remain a Pacific power.

Mr. Chairman, I realize this is a very small item in the budget, but I think it is of long-term strategic importance and value.

The cornerstone of our Asian security policy is our defense policy with Japan, based on the Treaty of Mutual Cooperation and Security. Recent years have seen a stronger recognition in Japan of the need for a stronger defense. Prime Minister Suzuki enunciated the role for Japanese forces when he stated in May 1981 that defense of Japan's territory, its surrounding seas and skies, and its sealanes out to 1,000 miles are legal under Japan's constitution and are, in fact, national policy.

However, we are concerned that in the Japanese defense program for 1983-87, which is now in its final stages of preparation, the Japanese Government might set only modest force levels as its 1987 goal. United

States and Japanese defense officials agree that while achievement of these levels would substantially increase Japanese capabilities, it would not provide air and naval forces adequate to defend Japan's sealanes against the threats of 1990. Thus, we believe the less ambitious levels should be achieved as quickly as possible in the 1983–87 defense plan, so that Japan can move beyond them to acquire the forces needed to carry out the mission stated by the Prime Minister.

Japan's record is better on host nation support. Without our bases in Japan, our presence in the western Pacific would become far more costly and exceedingly difficult, if not impossible. Japan contributes annually about $1 billion to the costs of U.S. forces in Japan. This averages over $21,000 for each of the approximately 46,000 U.S. military personnel in the country, a contribution higher than that from any other U.S. ally.

The trends and magnitude of the military threat to Japan do not permit further procrastination. Mr. Chairman, Japan should assume the full responsibilities of national sovereignty. The time has come for that great nation to move toward a defense effort commensurate with its economic capability and responsive to the threat to its integrity.

Let me briefly touch on the Republic of Korea. That nation spends about 6 percent of its GNP on defense and, of course, provides substantial support for U.S. forces that are stationed there. The potential ramifications of another Korean conflict on the relationship of the great powers and the threat it would pose to the security of Japan make Korea's self-defense improvements a substantial and important contribution to peace in the region. We should therefore help the Koreans to increase their capabilities more rapidly by providing more FMS credits and at better terms.

Secretary Weinberger's April visit underscored the importance we place on our security relationship with Korea, Japan, and a third staunch Pacific ally, the Philippines. Our unhampered use of facilities at Clark Air Base and Subic Naval Base is very important for the security of the Pacific. The Secretary's discussions helped set the stage for the late 1983 review of the Philippine basing agreement.

The People's Republic of China, although, of course, not an ally, seems to share our view of the danger from Moscow's expansionist drive into Asia. Indeed, the growing convergence of Chinese and American strategic interests has been the primary reason for the steady improvement of our bilateral relations over the past decade. Increasingly, we have found that where our common interests are threatened, it is useful to take parallel actions.

The People's Republic of China appears to have decided that containment of Soviet expansionism and the maintenance of a global balance of power depends for the foreseeable future on the viability of U.S. military power and America's alliances throughout the world. As a result, as you know, Mr. Chairman, the Chinese actively support our security partnership with Japan. They are enthusiastic supporters of NATO, and they support a continued U.S. military presence in the Philippines and the western Pacific.

To wrap up this overview, in the South Pacific, the efforts of our ANZUS allies with the island nations and Southeast Asian nations are important contributions to the common defense. Australian forces cooperate with ours to maintain a strong Western presence in the

Indian Ocean. Joint United States-Australian facilities enhance U.S. global command and control systems, and U.S. B–52's are permitted to transmit through Darwin on Indian Ocean reconnaissance missions. New Zealand and Australia enhance Western presence in Southeast Asia by conducting combined training with other members of the five-power defense arrangement.

Both Australia and New Zealand are valued by the South Pacific island nations as friends, sources of aid, and guarantors of security. They therefore help in denying the Soviets access to facilities in the South Pacific.

Mr. Chairman, our Asian allies have been generally supportive of our Indian Ocean deployments, even though these deployments take resources previously committed to the western Pacific. Our allies have been responsive to our arguments that we need a more rational division of labor, but this could change if they were to suspect that we are not arguing for burden sharing, but are actually seeking to reduce our commitments.

In the Pacific, our commitment as a minimum, is to maintain our forward deployed forces. At the same time, we must update the plans and procedures for allied cooperation in wartime. Through our security assistance programs, we must help our less developed friends and allies to improve their own capabilities for self-defense. We can show by our actions that our allies with us can and must do more so that our combined capabilities for the common defense will safely preserve the peace.

Thank you, Mr. Chairman.

[Dr. Ikle's prepared statement follows:]

PREPARED STATEMENT OF HON. FRED IKLE

Mr. Chairman and members of the committee, I am pleased that you have given me this opportunity to discuss the Soviet challenge in the Pacific and the response of the United States and its allies. I understand that Southeast Asia and Southwest Asia are the topics of other hearings. Therefore, I will focus my remarks primarily on East Asia and the Pacific.

Admiral Long and his Pacific Command are responsible for helping to preserve the peace throughout an immense area of vital importance to the United States. East Asia is only part of the Pacific Command's area of responsibility which stretches from the west coast of the United States to the east coast of Africa and from the Arctic Ocean to Antarctica. It includes the Pacific and Indian Oceans and encompasses over 60 percent of the world's population. It includes many of the enormously important sea lanes of communication which are vital to the free world's economic health. It is the region with which the United States conducts most of its trade—nearly $130 billion last year, surpassing our trade with western Europe for the tenth straight year.

Many of the strategic resources on which we and our allies depend, including $200 billion each year in oil, come from or transit the Pacific. Except for the politically and economically tragic situations in North Korea and the former Indochinese colonies of Vietnam, Laos and Kampuchea, one sees throughout the region spectacular developments, healthy emerging nations, and optimistic signs of modernization. There is every reason to expect that United States interests in Asia and the Pacific—already of vast importance—will become more important as the region's economic activity and potential continues to grow.

During the past decade and a half, the Soviets have taken disturbing steps to improve their military capabilities and expand their influence throughout the region. These efforts continue unabated, and 5 years from now the threat will be even more dangerous.

Soviet ground forces east of the Urals, most of which are on the Sino-Soviet border, have increased since 1965 from 150,000 to almost a half million today. The number of divisions has grown from 20 to more than 50. There are estimated to be an additional 120,000 Soviet troops positioned facing Southwest Asia and another 90,000 plus conducting combat operations in Afghanistan. Recently issued modern equipment provides these forces increased mobility and firepower and improves their command and communications systems.

Soviet air forces in the four eastern-most military districts are equipped with more than 3,000 combat aircraft, including air defense fighters, attack aircraft, bombers, and combat support aircraft. Soviet air forces have been upgraded with significant numbers of the newest and most modern Soviet aircraft, including the FOXBAT interceptor, flogger fighter, fencer fighter-bomber, and the supersonic Backfire bomber. In each of the last 2 years, the Soviets have replaced with new generation aircraft more Far East fighter and interceptor aircraft than we have fighters in the entire U.S. Pacific air forces. The Soviets also have approximately 100 SS–20 missiles, one-third of their deployed force, in Asia where they can strike United States and allied installations throughout most of the region.

The growth and modernization of the Soviet Pacific fleet has been of special concern to us. It is the Soviet Union's largest fleet and contains roughly one-third of all Soviet submarines, one-fourth of all principal surface combatants, and one-third of all naval aircraft. The more than 80 principal surface combatants, about 120 submarines of all types, and dedicated land-based aviation including the nuclear-capable Backfire bomber give the Soviets a significant naval capability. And there is more involved than numbers. The Backfire can deliver varied ordnance (including bombs and/or anti-ship cruise missiles) to extended ranges at sea. The most modern ships in the Soviet Pacific fleet, such as the V/STOL aircraft carrier *Minsk* and three *Kara*-class guided missile cruisers, are fast, sophisticated, and equipped with the latest weapons systems, including standoff cruise missiles.

For the last 2 years Soviet warships and aircraft have used ports and airfields in Vietnam once used by us to aid their deployments in the Indian Ocean and improve their surveillance capabilities in the Pacific. The Soviets pay dearly for this access: Soviet economic and military assistance, estimated to exceed $3 million per day, sustains Vietnam's economy and coincidentally permits upwards of 200,000 Vietnamese troops to occupy Kampuchea. Vietnamese efforts to suppress the Kampuchean resistance threaten to and occasionally do spill over into Thailand. The Vietnamese—with the largest, strongest, and most battle-tested military force in Southeast Asia—must be considered a significant threat, independent of the Soviets. Having unified Vietnam under its Communist regime, the rulers in Hanoi are not content to devote their efforts to solving that country's formidable economic problems but insist on more war, more upheaval.

Similarly, North Korea maintains a large, formidable, highly trained military establishment supported by continuing defense expenditures totaling at least 20 percent of GNP. It maintains significant advantages over the south in most aspects of combat strength, including more ground troops and over twice as many tanks, artillery pieces, and anti-aircraft guns. These forces are offensively configured and forward deployed. Like Vietnam, we must consider North Korea a substantial independent threat.

It is our policy to help maintain peace in the region and to encourage and support the stability and independence of friendly nations.

We have stopped the trend of the 1970's which saw our Pacific force structure reduced to well below pre-Vietnam (1960) levels. The force structure of the Pacific command has remained relatively constant over the past year and has benefited from improvements in readiness, sustainability, and modernization of equipment. In April, Admiral Long reported substantially as follows to the House Armed Services Committee on the overall status of the Pacific Command's Navy/Marine, Air, and Army forces:

NAVY/MARINE

Our Navy/Marine force structure has remained relatively constant over the year, A carrier battle group from the Atlantic Command has been on station in the Arabian Sea, raising the PACOM carrier force level to seven. Normally assigned forces include six aircraft carriers with their associated air wings, 87 surface combatants, 44 nuclear and diesel attack submarines, 1 fleet ballistic missile submarine (which is soon to be converted to an SSN), 31 amphibious ships, and 12 ASW patrol squadrons. Two marine amphibious forces, each with a marine division and a marine aircraft wing, are also assigned. Naval force improvements include the introduction of *Perry*-class guided missile frigates, continued addition to the fleet of *Los Angeles*-class attack submarines and *Spruance*-class destroyers, and introduction to the Pacific this fall of the first Trident fleet ballistic missile submarine.

AIR FORCE

In Korea, we are replacing older F-4D fighter bombers with newer F-16's and have introduced a squadron of A-10 close air support aircraft. Other forces include an F-15 tactical fighter wing in Okinawa and F-4E's in Korea and the Philippines, as well as F-4G "wild weasels" in the Philippines and a small complement of E-3A AWACS aircraft in Okinawa. All told, we will soon have 10 tactical fighter squadrons forward-based in the PACOM, totaling 216 aircraft. Additionally, CINCMAC maintains two squadrons of C-130 intratheater transport aircraft, which are under CINCPAC operational command, and CINCSAC maintains a squadron each of B-52's and KC-135's on Guam.

ARMY

PACOM's Army combat force levels have remained at about 35,000 personnel throughout the year, reflecting the freeze on earlier plans to draw down forces in Korea. Army forces include the 2d Infantry Division in Korea and the 25th Infantry Division in Hawaii.

The 1982 and proposed 1983 budgets provide for increases in war reserve stocks, fuel inventories, and ammunition supplies and other readiness-enhancing improvements. However, they do not provide for the type of force structure increases which would enable PACOM to meet its responsibilities simultaneously and adequately without reinforcement. Priority requirements in Europe and Southwest Asia are likely to perpetuate shortfalls in resources available to the Pacific. Of course, our efforts to make U.S. forces more deployable and sustainable will improve the ability to reinforce in an emergency.

We must also maintain the ability to base, deploy, train and operate our forces in forward locations in an unhampered manner. To this end, we have requested that Congress provide the necessary funding to exercise the Northern Mariana Islands land-lease option. The 5-year period in which the lease must be executed expires on January 9, 1983, just 100 days into the fiscal year. Congress needs to act quickly if we are to have sufficient time. The Northern Mariana Islands lease, coupled with our facilities in Guam and land in Palau, provides us critically needed traning areas now and will ensure that we retain a major alternative basing option, should a change in our Pacific strategy or in our access to other facilities require it. A failure to fund this 50-year lease, with its option for renewal for another 50 years, would throw away an option that might be of tremendous value in the future. Funding the lease option would signal that the United States intends to remain a Pacific power.

The cornerstone of our Asian security policy is our defense partnership with Japan, based on the treaty of mutual cooperation and security. Recent years have seen a growing recognition in Japan of the nature and increasing magnitude of the Soviet threat. This has been accompanied by a growing consensus for a stronger Japanese defense. Other evidence of progress includes the 7.8 percent (over 4 percent in real terms) increase in the 1982 Japanese defense budget at a time when other programs were limited to negative real growth, completion of a bilateral plan for the defense of Japan, and a recently begun combined study of Japanese roles in support of U.S. forces (based in Japan) involved in contingencies outside Japan. Prime Minister Suzuki reiterated the role for Japanese forces when he stated last May that defense of Japan's territory, its surrounding seas and skies, and its sea-lanes to 1,000 miles are legal under Japan's constitution and constitute its national policy. This definition of roles and missions provides realistic program goals for Japanese defense spending for the coming years. Achievement by Japan of the defense capabilities represented by those policy goals within this decade would greatly increase Japan's capability to defend itself as well as enhance our combined defensive capabilities against the Soviet threat in the Pacific.

Japan's 13 ground divisions, 50 destroyer-type naval vessels, 400 fighter aircraft, and large quantities of antisubmarine aircraft, if they had the logistics stocks to provide sustainability, could represent very substantial combat capability. Japan can and should do more for its own defense as a contribution to a United States-Japan rational division of labor.

We are concerned that in the Japanese defense program for 1983–1987, now in its final stages of preparation, the Japanese Government might set as its 1987 defense goal only the accomplishment of the standard force levels contained in the 1976 national defense program outline. Those levels are intended to constitute peacetime force levels for dealing with a small scale conflict. Some Japanese sources estimate that Japanese defense spending would need to average 1.3 percent of GNP between 1983 and 1987 to achieve even these modest goals. Further, United States and Japanese defense officials agree that while fulfillment of the 1976 outline would increase significantly Japanese capabilities, it would not provide air and naval forces adequate to defend Japan's territory or its sea-lanes against the threats of 1990. Thus, we believe the standards of the 1976 outline should be achieved as quickly as possible in the 1983–1987 defense plan, so that Japan can move beyond them to acquire the forces needed to carry out the missions acknowledged by the Prime Minister.

Japan's record is better on host nation support. Without our bases in Japan our presence in the Western Pacific would become far more costly and exceedingly difficult, if not impossible. Japan contributes annually about $1 billion to the costs of U.S. forces in Japan. This averages over $21,000 for each of the approximately 46,000 U.S. military personnel in the country—a contribution higher than that from any other U.S. ally. And, we expect that the Japanese contribution will continue to increase as Prime Minister Suzuki pledged in May 1981.

The trends and magnitude of the military threat to Japan do not permit further procrastination. Japan should assume the full responsibilities of national sovereignty. The time has come for that great nation to move toward a defense effort commensurate with its economic capability and responsive to the threat to its integrity.

Despite continuing efforts by the Republic of Korea to strengthen its military forces and its defense industries, the military imbalance in favor of North Korea remains. The Republic of Korea spends about 6 percent of its GNP on defense and provides substantial support for U.S. forces stationed there. The potential ramifications of another Korean conflict on the relationships of the great powers and the threat it would pose to the security of Japan make Korea's self-defense improvements a substantial contribution to regional security. We should help the Koreans increase their capabilities more rapidly by providing more FMS credits at better terms.

Secretary Weinberger's April visit underscored the importance we place on our security relations with Korea, Japan, and a third staunch Pacific ally, the Philippines. During that trip, he participated in the 14th annual security consultative meeting with the Korean Minister of Defense. His discussions in Japan set the stage for detailed consultations at the United States-Japan security subcommittee meeting in late summer. These annual consultations with our Northeast Asia allies contribute to shared perceptions of the nature of the threat and to coordinated efforts to counter it.

In the Philippines, the Secretary's discussions helped set the stage for the late 1983 review of the basing agreement. The Philippines have received substantial economic and security assistance from us over the years. In 1983 we would expect increased Philippine requests for assistance. This assistance provides the setting for our very extensive use of the Philippine bases. Our unhampered use of facilities at Clark Air Base and Subic Naval Base is very important to our power projection capabilities in the Southwest Pacific and the Indian Ocean. Both bases are important for the security of the Pacific region.

Although not an ally, the People's Republic of China seems to share our view of the dangers from Moscow's expansionist drive into Asia. Indeed, the growing convergence of Chinese and American strategic interests has been the primary reason for the steady improvement in our bilateral relations over the past decade. Increasingly we have found that where our common interests are threatened, it is useful to take parallel actions.

The People's Republic of China appears to have decided that containment of Soviet expansionism and the maintenance of a global balance of power depends for the foreseeable future on the viability of U.S. military power and America's alliances throughout the world. As a result, the Chinese actively support our security partnership with Japan; they are enthusiastic supporters of NATO; they support a continued U.S. military presence in the Philippines and the Western Pacific. Like us and our allies, China firmly opposes the continued Soviet occupation of Afghanistan and the Soviet-backed Vietnamese occupation of Kampuchea.

In the South Pacific, the efforts of our ANZUS allies with the island nations and Southeast Asia nations are important contributions to the common defense. Australian navy and air forces cooperate with U.S. forces to maintain a strong Western presence in the Indian Ocean. Joint United States-Australia defense facilities enhance U.S. global command and control systems, and U.S. B-52's are permitted to transit through Darwin on Indian Ocean reconnaissance missions New Zealand and Australia enhance Western presence in Southeast Asia by conducting combined training with other members of the five power defense arrangement (Malaysia, Singapore, United Kingdom). Both Australia and New Zealand are valued by the South Pacific Island nations as friends, sources of aid, and guarantors of security. They thereby help in denying the Soviets access to facilities in the South Pacific.

Our Asian policy, for the most part, has been successful in preventing the Soviets from transforming their growing military strength into increased political influence. But we must not let the lack of current crises lull us into thinking that we need not be concerned about Asia. Our Asian allies have been generally supportive of our Indian Ocean Deployments, even though these deployments take resources previously committed to the Western Pacific. Our allies have been responsive to our arguments that the increased threat requires a more rational division of labor. But we cannot expect them to remain responsive and continue to participate if they suspect that we are not arguing for burden-sharing but are actually seeking to reduce our commitments. In the Pacific our commitment, as a minimum, is to maintain our forward deployed forces. At the same time, we must update the plans and procedures for allied cooperation in wartime. Through our security assistance programs, we must help our less developed friends and allies to improve their own capabilities for self-defense. We can show by our actions that our allies, with us, can and must do more so that our combined capabilities for the common defense will safely preserve the peace.

The CHAIRMAN. Thank you very much for a very comprehensive and excellent statement, Mr. Secretary. I would like to go through your statement and ask you to expand on a few of the points. You indicate that we have not provided for the type of force structure increases which would enable PACOM to meet its responsibilities simultaneously and adequately without reinforcement. According to press reports that I have seen, the New York Times being one paper that carried a report on the new 5-year defense plan, the defense of Asia is reported to rank lower than that of Western Europe and the Persian Gulf.

Could you tell the committee how that decision was made, and amplify on it? Obviously, defense of the Persian Gulf also is defense of the Pacific, in a sense, because it protects one of the most vital components of the Asian nations and their defense establishment, oil. Imported oil is more crucial and vital to them than it is to us. But because this was reported in the press, perhaps you could comment on how we do rank defense of the Pacific.

Dr. IKLE. Mr. Chairman, you will appreciate that I can't comment on the classified document, but I can state here that the inferences drawn partly in the article and partly in other editorials based on it have been misleading. There has been no change in our security relations with East Asia, and there has likewise been no change in the priority and importance we give to our security relationships and to our military presence in the area.

What has had to change are the increments, the allocation of the increments in the new military budgets. We found that it was important, among other things, to improve mobility and flexibility of our forces and to build up, somewhat more rapidly than had been planned in the previous administration the capabil[illegible] that could be used in Southwest Asia. Thus, the percentage in[illegible] there has been somewhat higher than in other elements of our f[illegible]

You in a way have already given the answer to the larger context, Mr. Chairman, with your observation, which is totally the administration's view also, that by helping to defend or to protect Southwest Asia, and the Persian Gulf area, which are so vital for the survival of Japan, we help protect Japan and our other allies in the Pacific. So, these actions taken to strengthen the capabilities of the Rapid Deployment Force and related to the Persian Gulf are actions taken actually in support of our longstanding alliance with our Pacific allies.

The CHAIRMAN. Fine. Thank you. I think that clarification is very helpful.

You also mentioned a recently begun combined study of the Japanese role in support of U.S. forces involved in contingencies outside Japan. Do we have any idea when that study will be completed? Will it include recommendations on the Japanese role? And is a study of that kind available for a few members of this committee that might be particularly interested in reviewing the results of the study?

Dr. IKLE. I imagine the study will have to make use of classified data, and will therefore be handled with those restrictions, but I am sure we would want to inform you of the results of the study, and brief or informally communicate with you the important implications for force planning. We expect the studies to be ongoing. We are now looking at the defense needs for Korea, and we will possibly look at Southwest Asia and other areas in the future.

The CHAIRMAN. Thank you. You talk about the achievement by Japan of defense capabilities presented by policy goals. Will Japan's current plans for defense expenditure in your judgment be sufficient from what we see of those plans to achieve the necessary goal of providing adequately for its defense in cooperation with us?

Dr. IKLE. Mr. Chairman, as I indicated in my opening statement, we would like to see the effort accelerated, so that the goals that were stated by the Japanese Prime Minister can be achieved more rapidly. If the present level of effort continued, it would take a long time—too long, perhaps—to reach these goals, particularly since the Soviet threat will also grow. We think it will require more, somewhat steeper increases in the Japanese defense effort to achieve these very important goals in a realistic time.

The CHAIRMAN. You have mentioned that Japanese sources actually estimate that defense spending in Japan would have to average 1.3 percent of GNP between 1983 and 1987 to achieve even modest goals. Why in your view has the 1 percent of GNP figure become such an important symbol in Japan? Do you see any desire on the part of the Japanese Government to eliminate this arbitrary ceiling and concentrate instead on spending a sufficient amount, sufficient for their defense? What is more vital and important than the defense of a country? Why do they cling to such an arbitrary figure which is by any other standard terribly low for any country on Earth, really?

Dr. IKLE. It is indeed a very low figure for a proud and strong and sovereign large nation that is threatened in its integrity by an important military threat from the outside. Why the 1 percentage figure still seems to play an important role, Mr. Chairman, is a delicate and complicated question that would get me probably too far into sheer speculation about internal political developments and pressures in Japan, internal matters in the Japanese parliament, and questions of our direct government-to-government relationships. I think I should hesitate here in my position to speculate on that in greater detail.

The CHAIRMAN. You have indicated that Japan should assume the full responsibility for national sovereignty. That does include responsibility for defense. With the President in Europe, and certainly Japan is well represented there, and participating in discussions on our common defense, they well know the pressure on the President because of high interest rates. This has caused pressure on the Japanese economy. It has caused pressure on every economy in Europe. We want to bring those interest rates down, and yet there is only one way to do it, and that is to bring the budget down. Everyone knows that we have to bring that budget closer to balance.

Even though I support the President's program for the defense establishment and have spoken vigorously on it, and I have thought that it can be justified and has to be justified in view of the threat to us, still, I have felt there could be economies that could be achieved that would come to around the $10 billion figure a year, and the President himself has said over a period of 3 years providing certain things are done over in the House, he can see the possibility of a $28 billion reduction.

If it is in everyone's interest that we do bring that deficit down, come closer to balance, and that will help Japan along with other countries, how much would it help the United States if Japan did pick up a larger share, and in the end, wouldn't that benefit Japan along with the rest of the world in economic recovery?

Dr. IKLE. Mr. Chairman, in our view, it would help the United States and it would help Japan to make a defense effort more commensurate with its capabilities and its full sovereignty. Japan, of course, is making an important contribution with economic assistance to other countries, and it could make a greater contribution in that direction as well.

The argument that lower defense spending might bring down interest rates is an important one. It is a bit beyond my purview, but let me observe that we had a much higher percentage of defense spending in the 1950's per gross national product and in terms of the Federal budget, and our inflation rate was around 1 percent on the average, and the deficit, percentagewise, was smaller, too. So, these things are connected in complicated ways. Certainly it could not be argued, in our view, that an increase in Japanese defense spending would jeopardize the Japanese economy, because that economy is thriving and in good health.

The CHAIRMAN. There has been considerable discussion and commendation for the Japanese for beginning work on, and they are currently completing work now on a 5-year mid-term defense plan to begin in 1983. Could you tell us anything further about that plan as you understand it? Will the mid-term defense plan, for instance, be ready for discussion soon? What is your view of the plan? And will it be adequate from the U.S. perspective from what you have seen of it so far?

Dr. IKLE. We are discussing with Japan the 5-year defense planning in our annual meetings. Our main concern on their plan is how it will be budgeted for, whether they will stick to the more modest goals in increasing their defense budget, which would very much stretch out the accomplishment of what needs to be done, or whether they will move to an accelerated increase which we think is needed for the defense that they have decided to assume, of the sea lanes, of their own territory.

The CHAIRMAN. I have just two more questions. One of them relates to the comment you made that the People's Republic of China, though not an ally, seems to share—and I am sure they do from my conversations with them—our view of the dangers of Moscow's expansionist goals in Asia. How would a deterioration in our relationship with the PRC affect our military situation in the Pacific, and how would such a deterioration possibly adversely affect their own security interests?

Dr. IKLE. The security of China, the People's Republic of China, is threatened, as Chinese leaders themselves have explained, by the Soviet Union and its expansionist policies, its buildup of its military might along the Sino-Soviet border. Therefore a deterioration in the relationship between us and the People's Republic would probably diminish the security of the People's Republic in relationship to the Soviet Union, and in some sense undermine China's independence.

China is far more an independent nation now than she used to be when she was part of the Soviet bloc, needless to say. From our point of view, a deterioration in our relationship with Peking would be most undesirable, and we are, of course, making continuing efforts, as Deputy Secretary Stoessel explained, to maintain a good relationship with Peking.

The Soviet Union does deploy part of its military forces against China. If those were redeployed, they could increase the threat elsewhere. Chinese territory is not available to Soviet military forces, in contrast to Vietnam. The Soviets quickly grabbed a base in Vietnam when we left Indochina, but the Soviets do not have bases threatening to us or to Japan on China. So any development that went back to a situation of the kind that existed some 20, 25 years ago would be, I think, damaging both to the United States and to the interests of China.

The CHAIRMAN. Thank you. My final question is to what extent the ANZUS nations actually participate now in joint maneuvers with Japan. Are joint planning and training a possibility for the future?

Dr. IKLE. Mr. Chairman, I believe my expert here has the answer. There will be participation in a joint maneuver planned for this period; yes.

The CHAIRMAN. Thank you very much.

Senator Hayakawa.

Senator HAYAKAWA. Thank you, Mr. Chairman.

Secretary Ikle, in your testimony you state that North Korea is a substantial independent threat. Are the North Koreans not receiving enormous support from the Soviets? Or are they receiving support from China, or from both? It would seem to be inconceivable that they would receive both, but maybe they are. How do you assess the amount of outside support given to the North Koreans?

Dr. IKLE. North Korea is receiving support from both the People's Republic of China and the Soviet Union. They are obtaining equipment from the Soviet Union. They are an independent threat in the following sense. They have very strong armed forces, as you well know, Senator Hayakawa, and let us say, a disgustingly aggressive attitude toward South Korea. They insist on constant military buildup, and on military harassment and military probing of the Republic of South Korea.

In that sense, it is possible that they could start action on their own with either continued or even discontinued support from the Soviet Union, and could create great havoc and danger to the Republic of South Korea and our forces there.

Senator HAYAKAWA. I visited the DMZ at one time, and I must say some of you right here probably had the same similar experience. It is the most frightening place in the world. You had the feeling that war could break out in the next 30 seconds.

Dr. IKLE. That exactly summarizes the situation, Senator, the constant high readiness, the alerting of their forces. You may have visited the tunnels or been shown the tunnels that were clandestinely built under the DMZ, what is supposed to be a demilitarized zone. The North tunneled underneath, all the better to be in a position to attack the South. The whole picture there is one of constant high level threat.

Senator HAYAKAWA. Would they get Soviet support under those circumstances if they did start something? Or would they get Soviet support before they start something?

Dr. IKLE. We hope they will not, but we cannot predict Soviet policy. Certainly there was Soviet support behind the North Korean attack in 1950 to 1953.

Senator HAYAKAWA. What would be the Chinese involvement, if any? The Chinese and Soviets are not getting along very well.

Dr. IKLE. Again, I could well express a hope, though not a prediction. I would very much hope that the government in Peking would recognize that China's own interest lies in not having a war on the peninsula. We have grounds to believe that they see it this way.

Senator HAYAKAWA [presiding]. Robert Louis Stevenson once wrote a very touching essay. What was the Italian city that was buried after the volcano of Vesuvius erupted?

Dr. IKLE. Pompeii.

Senator HAYAKAWA. That's right. Pompeii. It is clear from seeing the ruins that people were carrying on normal lives, social life, concerts, lovemaking, and all the usual civilian activities, and suddenly this falls upon them. Seeing the cheerfulness of life in Seoul, I was reminded of Robert Louis Stevenson's essay on the ruins of Pompeii. With the DMZ only 25 miles away or less, it always struck me as extraordinary that people in Seoul could be that cheerful, with the danger that close at hand. But they can be, and they are optimistic.

I believe you said they spent something like 6 percent of their GNP on defense. Is that correct?

Dr. IKLE. Yes.

Senator HAYAKAWA. What does North Korea spend?

Dr. IKLE. We believe up to 20 percent. Senator, Seoul is indeed near a very dangerous threat, and they are very cheerful and productive there, but then, in a sense, Washington is near a threat, too, and we are sometimes cheerful here also. [General laughter.]

Senator HAYAKAWA. Does the increased Soviet strength in Asia, the patrolling of the oceans in the South Pacific, and the military stations that the Soviets have in northern Asia, in the Kuriles and so on, do these pose any direct threat to the American allies in the region?

Dr. IKLE. Indeed, the Soviet capabilities which I briefly summarized in my opening statement and more fully explained in my full statement for the record, which have grown so much over the last 5 years, are a very serious military threat for Japan and for South Korea if war broke out there, and for our other allies in the region, ranging from the interruption of the vital sea lanes on which countries like Japan depend so much, to actual challenge or threat to the territories of these countries.

It is for that reason that we want to work together with our allies to improve the capabilities to try to keep pace with the growing threat, and we very much want to encourage our allies, particularly Japan, to make a greater effort.

Senator HAYAKAWA. What is your assessment of the military balance between the United States and the Soviet Union in Asia? We do have as our strong allies in Asia besides Japan the Philippines, and I am sure we have at least the moral support if not the military support of other nations of the ASEAN group; do we not?

Dr. IKLE. The military balance has deteriorated in the last 10 years because the Soviet forces have increased, as I have sketched out. We have not responded as would have been necessary in the 1970's. We have started responding now. The Japanese defense effort has had a real growth over the 1970's, in fact, for some years, better than our real growth, but still is falling behind the growing threat. So, the security situation has certainly not improved. Particularly also the nuclear balance has worsened with the introduction of the Soviet SS-20 missiles, the nuclear-capable Backfire, and, of course, the worldwide global strategic balance, which acts as a backup, has deteriorated from our point of view.

It is for all of these reasons that we in this administration have urged Congress to move with us to support the request by the President for increased defense spending, notwithstanding the economic problems to which Chairman Percy referred, such as high interest rates and the high deficit. We believe with the improvements recommended in the 5-year defense program of the administration, plus hopefully a stepped-up effort by Japan and the continued contribution by Korea and the Philippines, that we can restabilize the balance and maintain a deterrence posture strong enough to prevent the outbreak of war.

Senator HAYAKAWA. Can Australia and New Zealand be counted on to help in defense of the Pacific?

Dr. IKLE. Senator Hayakawa, yes; to the extent that the past is a guide to the future. Australia and New Zealand fought with us in every war of this century. I think that provides the answer.

Senator HAYAKAWA. Is our treaty relationship sound?

Dr. IKLE. Yes; of course. There is the ANZUS Treaty, which is a very valid treaty. The next annual meeting of that group will take place next week, I believe.

Senator HAYAKAWA. Thank you. There is one other question that I would like to ask. I have been pushing in the interest of equalizing the balance of trade between Japan and the United States, and also in the interest of strengthening our economy, as well as strengthening Japan's industrial and military position, the idea of figuring out a way to sell Alaskan oil to Japan through possibly a three-way trade of some kind. My staff is working on this. From the defense point of view that you have been presenting here, Dr. Ikle, I would like to have your comment on the desirability and practicality of the sale of Alaskan oil to Japan.

Dr. Ikle. That is a very important question, and we probably should look at a number of alternative solutions. The options that were presented did raise some problems from our point of view, in that we could lose the shipping capability as a result of a switch in the oil flow. But that is not to say, Senator, that there are not alternative ways of solving the problem which would overcome that drawback and would thus be in our national interest and in the interest of the alliance.

As you of course know, Senator, the general attitude in the administration, in this administration as well as the previous one, toward the possibilities for this sale was more favorable in the executive branch than it was in the Congress. I think it is still that way. Hence I think this is a very important problem, where the executive branch and the legislative branch should work together creatively.

I would welcome further discussions with you on this issue.

Senator Hayakawa. I would welcome discussions with you, too, sir, because if this has important defense implications as well as economic implications for both Japan and the United States, that would be another argument.

Dr. Ikle. And there is not only oil, there is natural gas as well, Senator. In addition to oil, there is the question of natural gas.

Senator Hayakawa. Yes; of course, but with the oil coming all the way from the Persian Gulf, making that long, long journey to Japan, Japan is terribly vulnerable in that respect. Certainly the Alaskan oil would reduce that vulnerability.

I am afraid I have to leave now to vote, and Senator Percy is on his way back.

Dr. Ikle. Will Senator Percy be returning?

Senator Hayakawa. Yes, I had better go and vote and help save the Republic. Thank you very much, Dr. Ikle. It has been a real pleasure to see you. We will take a brief recess.

[Whereupon, a brief recess was taken.]

The Chairman [presiding]. I just wanted to make an announcement. I had finished my questions, Secretary Ikle. The second hearing in this series will be held at 9:30 on the morning of June 16. Witnesses will be Senators Roth and Levin, and there will be a panel of nongovernmental witnesses, including Adm. James Holloway, James Morley, and Evelyn Colbert. Admiral Holloway is president of the Council of American-Flagship Operators, formerly Chief of Naval Operations, James Morley, director of Columbia University's East Asia Institute, and Evelyn Colbert, Foreign Service Institute, former Deputy Assistant Secretary of State for East Asian and Pacific Affairs.

Unless you have any further comments to make, the meeting is adjourned.

Dr. Ikle. Thank you, Mr. Chairman.

The Chairman. Thank you very much for your thoughtfulness in being here and for your excellent testimony.

[Whereupon, at 11:45 a.m., the committee adjourned, to reconvene at 9:30 a.m., Wednesday, June 16, 1982.]

EAST-WEST RELATIONS: FOCUS ON THE PACIFIC

WEDNESDAY, JUNE 16, 1982

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 9:32 a.m., in room 4221, Dirksen Senate Office Building, Hon. S. I. Hayakawa, presiding.

Present: Senator Hayakawa.

Senator HAYAKAWA. Good morning. Today we open the second of two hearings on the Soviet challenge in the Pacific and the United States and allied responses. This morning we will be concentrating primarily on Japan, Australia, and New Zealand. Southeast Asia is the topic of series of ongoing subcommittee hearings and will not be addressed in detail this morning.

Senator Percy had planned to be here today but was asked by the Vice President to accompany the United States delegation to Saudi Arabia to present the condolences of the American people and our Government on the untimely death of King Khalid. Senator Percy sends his regrets that he cannot be here and looks forward to studying the testimony and the recommendations of our witnesses upon his return.

We shall first hear the testimony of Senators Roth and Levin, who have both taken an active interest in Japan. Senator Roth serves on the United States-Japan Friendship Commission and has traveled extensively throughout East Asia during his 12-year Senate career. He has participated in many conferences and other forums to improve United States-Japanese mutual understanding and cooperation.

Senator Levin has introduced a resolution calling for an increase in Japanese defense spending which has attracted a large number of cosponsors. As a member of the Armed Services Committee, Senator Levin has been concerned about allied contributions to Western defense and has played an active role in addressing the burden-sharing question with regard to Japan as well as our NATO allies.

After we have heard from Senators Roth and Levin, we will ask a panel of nongovernment witnesses to present their testimony. We hope to begin the panel at around 10:30.

Senator Roth, I understand that you must leave to chair a hearing at 10, so I shall ask you to present your statement, then we shall proceed to questions. Would you like to begin, please?

STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S. SENATOR FROM DELAWARE

Senator Roth. Thank you, Mr. Chairman. I have a fuller statement which I would appreciate being incorporated in the record.

Senator Hayakawa. We would be glad to do so, Senator Roth.

Senator Roth. It is a pleasure to be here this morning to talk about security and East Asia and the Pacific. Containing more than one-third of the world's people, rich in natural resources and boasting history's fastest growing economies, this region has long been the object of U.S. interest and policies.

Our leadership and commitment were critical to the creation of the open and pluralist international system that permitted the countries on the rim of Asia especially to recover from World War II and to establish themselves as independent nations. In the past 30 years, American Armed Forces have fought two major wars to protect these values and to prevent expansion of the Marxist dominion.

The rift between China and the Soviet Union, followed by the rapprochement between the United States and China, altered the world balance of power as have few diplomatic events in history. An ancient land with a vast and very talented populace, China has enormous potential to once again make a positive contribution to the world community.

But the opening to China did not remove all security problems from East Asia nor was it cost free. The prospect of a de facto alliance between the United States and China apparently reinforced Soviet determination to strengthen its military position both on the strategic level and in the Asian theater. Against the backdrop of strategic nuclear parity, Soviet military forces in the region have tripled since 1965. Vietnam and North Korea pose at least quasi-independent threats to our friends and allies.

Several countries also face internal security problems. We should also be aware that the opening to China affected our bilateral relations with other friendly nations in the region. Not a few consider China to be a potential long-term threat. There is a certain anxiety that we may go overboard in pursuing a China-centered policy, possibly at the expense of our friends and allies.

Taiwan is the most extreme case. There is no doubt that Taiwan is of immense importance. From Peking's standpoint, it is as if the Confederate States of America had retired to Hawaii and still claimed jurisdiction over the 11 Southern States. Nevertheless, even if Taiwan is an internal Chinese matter, it is not exclusively an internal Chinese matter.

The United States has a legal and moral obligation to assist the people of Taiwan to live free from the fear of military invasion or intimidation. Furthermore, other Asian nations and people who have staked their futures on a close relationship with the United States will watch carefully how we handle the Taiwan question.

In short, it seems to me that we should be very cautious about putting too many eggs in the Chinese basket. It is too early to judge whether we can develop the kind of extensive and complementary interests that underpin close and constructive ties over the longer term. In view of the radical swings in Chinese policies in recent years, it is even conceivable that a new generation of leaders could seek to repair China's relationship with the Soviet Union at our expense.

We should do what we can to encourage China to take its place as a responsible nation in the international community, but we should proceed slowly and cautiously, especially in such volatile areas as arms transfers.

If our relationship with China is still in its early stages, our ties to Japan rest on a far firmer foundation of shared interest and experience. Japan remains far and away the most important anchor for U.S. policy in East Asia. The Japanese people have seen that democracy and a market economy bring benefits that no other system has been able even to approach.

The main issue, it seems to me, is how to move our partnership to a new level of mutual support and cooperation. Many Japanese apparently feel that they are being hectored over current issues in our relationship, but in a democracy like ours we do no good by trying to sweep difficult and contentious issues under the carpet. Resentments simply build up and trust is undermined.

In the trade area, for example, the practical effect of Japanese export drives that are seemingly targeted at specific industries such as automobiles, is to undermine trust in the basic relationship. Similarly, in the defense area, when the Japanese persist in treating security questions as simply determining how little they need to do to respond to American demands, basic trust is eroded.

What we are actually seeking from Japan, and from our European allies as well, is to place our common security concerns in their global context. Then we can together determine how each ally can best make a meaningful contribution to the total defense effort. Statistical reference points such as percentage of GNP devoted to defense are visible symbols of how defense questions are regarded by a democratic people.

Thus, we welcome the substantial increase in Japan's defense budget this year and its decision to extend its defense perimeter out to 1,000 miles. These and other actions signal an important advance in Japanese attitudes toward their defense responsibility.

On the other hand, so long as Japan sticks to a defense budget ceiling of 1 percent of GNP, it will be difficult to convince many Americans that Japan is serious about making an appropriate and significant contribution to our common defense. Japan, along with Western Europe, has achieved economic superpower status. Our allies should, therefore, be making a greater contribution to the defense of our common values and interests. In other words, we want to put more mutuality into our mutual security relationship.

There is also, I believe, a growing awareness among other friendly nations in Asia that security is a shared responsibility. The ASEAN nations in particular have made considerable progress in coming to grips with the realities of Vietnamese and Soviet expansionism. Australia and New Zealand have longstanding security ties with Singapore and Malaysia that provide a solid basis for further cooperation.

I am not suggesting that we need any new formal security structures. But the complexity and seriousness of security questions require continuing and close consultations among all our allies, friends and associates.

Mr. Chairman, I would close by saying that it is also critical for U.S. business to participate fully and aggressively in the very exciting economic growth that is taking place in East Asia and the Pacific. It is only through daily and broad interaction that we can build the democratic values and institutions that provide the ultimate basis for a secure world.

Thank you, Mr. Chairman.

[Senator Roth's prepared statement follows:]

PREPARED STATEMENT OF HON. WILLIAM V. ROTH, JR.

SECURITY IN EAST ASIA AND THE PACIFIC

Mr. Chairman, it is a pleasure to be here this morning to talk about security in East Asia and the Pacific. The amazing statistics associated with this diverse region are well known to you. But let me just mention a few aspects to indicate why it deserves our closest attention.

East Asia, and the Pacific Islands on its rim, contain more than one-third of the world's population. The region is home for the most populous nation on the planet: China. Our principal Asian ally, Japan, produces each year more goods and services than any other nation on earth save our own. The Indonesian archipelago, with nearly 150 million people, contains some of the world's richest deposits of natural resources.

Led first by Japan, and now by the "New Japans," the non-Communist nations on the Pacific rim of Asia have recorded the highest economic growth rates in history. Taken together, our trade with East Asia exceeds that with Western Europe.

For most of the post World War II period, the United States has been an important—and some would say dominant—factor in the affairs of the region. Our leadership and commitment were essential to the creation and preservation of the open and pluralist international system that has brought so much progress to so many people.

East Asia has also served as a central arena for intense and often violent competition between the Marxist East and the pluralist West. American armed forces fought two major wars there to prevent the expansion of the marxist dominion.

In the early years, the threat emanated from a Soviet-led monolithic block of Communist states pushing against newly independent and weak countries, which, if not supported, could topple like a row of dominoes.

The opening of a deep rift between China and the Soviet Union dramatically altered the global security picture. From implacable enemy, China was transformed into potential friend and tacit ally against Soviet expansionism. The rapprochement between the United States and China altered the world balance of power as have few diplomatic events in history.

China is an ancient land with a vast and very talented populace. It has enormous potential to once again make a positive contribution to the world community. Even leaving aside security considerations, every effort should be made to bring this great country into the responsible family of nations.

But as is always the case with any bold and far-reaching move, the opening to China was not cost-free.

The prospect of at least a de facto alliance between the United States and China reinforced the Soviet determination to strengthen its military position both on the strategic level vis a vis the United States, and in East Asia.

Against the backdrop of strategic nuclear parity, Soviet military forces in the region have nearly tripled since 1965. The deployment of 10,000 troops on the occupied Northern Islands of Japan directly threatens our most important ally. Access by Soviet naval and air forces to facilities in Vietnam has given a quantum improvement to the Soviet ability to project forces into not only Southeast Asia and the Malacca Straits, but the Indian Ocean as well.

This growth in Soviet military power has clearly added a new and dangerous dimension to East Asian security questions. But in pursuing policies to counter the Soviet threat, we should not lose sight of other aspects to the East Asian security picture.

Vietnam, with a 1-million man army, 200,000 of which are brutally occupying Cambodia, poses a quite independent threat. One of the most repressive and closed societies in the world today, North Korea maintains a huge and growing military force aimed at South Korea. Several friendly Asian nations face serious internal threats.

And conscious of China's history of interventionism—history as recent as the 1979 attempt to, "punish," Vietnam—many Southeast Asians harbor doubts about China's long term intentions toward them. Chinese leaders explicitly reject giving up support for revolutionary communist parties in other countries.

Opposition to Soviet expansionism also occupies, in my view, an unhealthily large place in Sino-American relations. For a partnership to endure, it must rest on a broad base of shared interests and values. It seems to me too early to judge whether we can develop with China the kind of extensive and complementary interests that will assure close and constructive ties over the longer term.

Certainly the violent swings in Chinese internal and external policies must give us pause. We have no assurances that a new generation of leaders in either or both countries would not seek closer Sino-Soviet relations at our expense, or the expense of our friends.

Nor was our opening to China entirely cost-free in terms of our bilateral relations with other friendly nations in the region. The suddenness and secrecy with which it was carried out caused great consternation with the Japaneses who felt more than a little betrayed by a trusted ally. And there exists today among all of our Asian friends and associates a certain concern that we may go overboard in pursuing a China-centered policy, possibly at their expense.

This is not to say that they would advocate a return to the status quo ante. A friendly Sino-American relationship obviously improves regional stability. But in developing our policy toward China, we should take care not to give the impression that we are willing to pay any price for good relations.

This brings me to Taiwan. There is no doubt that Taiwan is of immense importance. From Peking's standpoint, it is as if the Confederate States of America had retired to Hawaii and still claimed jurisdiction over the 11 southern states.

Nevertheless, for the American people, even if Taiwan is recognized as an internal Chinese matter, it is not exclusively an internal Chinese matter. The 18 million people on Taiwan have shown no inclination to live under Chinese communism. To the contrary, they have thrived economically under a system that at least shows promise of achieving full democracy. It is both the law of the land and a moral obligation for the United States to do what it can to assure that the people of Taiwan can live free of the fear of military invasion or intimidation.

In short, it seems to me that we should be very cautious about putting too many eggs in the Chinese basket. We should do what we can to encourage China to take its place as a responsible nation in the international community. But we should proceed slowly and cautiously especially in such volatile areas as arms transfers. Large scale transfers of arms from the United States would not only risk triggering a sharp Soviet response, but would cause great anxiety among other nations in the region.

Fortunately, the China card is not the only card we have in our hand.

If our relationship with China is still in its early stages and the future is clouded with uncertainties, our ties to Japan rest on a far firmer foundation of shared interests and experience. Japan remains far and away the most important anchor for U.S. policy in East Asia. With a population of 120 million and almost no other natural resources, Japan has built the second most productive economy in the world—larger even than that of the Soviet Union with 30 times the land area and over twice the population.

Furthermore, Japan has reached the edge of technological and perhaps even social innovation. It is building what may well be the society best prepared to meet the challenges of technological change in the next several decades.

To put it bluntly, should the Euro-American West and Japan become estranged, the consequences would simply be disasterous.

But I believe that the chances of serious rupture are not great. The Japanese people have seen that democracy and a market economy bring benefits that no other system has been able even to approach. Japan has such a thick web of ties with the open and pluralist societies of the West that it is very hard to see what it would gain by a turn to the Soviet East.

Nor do I think Japan would, under any but the most extreme provocation, turn to the kind of jingoistic ultranationalism that gripped it in the pre-war period. By virtue of their geography, history, racial and linguistic homogeneity, the Japanese are innate nationalists. But democracy has taken firm root in fertile soil. Japanese by the millions travel abroad each year. The open international trading system has provided Japanese industry with unprecedented access to raw materials and markets. In short, Japan shares with the other industrial democracies a vital stake in maintaining and protecting an international system based on principles of openness and mutual respect.

Having said all this, however, I do not mean to give the impression that our relations are trouble-free. In fact, it was probably inevitable that as Japan grew in economic strength, and we became ever more closely inter-connected, the relationship would become more turbulent. But I do want to indicate that I do not believe "worst-case" theorizing is particularly helpful in addressing the real issues.

And the main issue, it seems to me, is how to move our partnership to a new level of mutual support and cooperation.

Many Japanese apparently feel that responsibility for the current strains in our relations lies mostly on the American side. They feel that they are being used as scapegoats for our own economic ills. They feel that we are hectoring them on trade and defense issues, and warn of dire "worst-case" consequences.

For our part, we feel, with justification I think, that the Japanese market has been too closed for too long. And we believe we are right in being annoyed at Japanese insensitiveness to the consequences of their export drives. The practical effect of export drives that are seemingly targeted at specific industries such as automobiles is to undermine trust in the relationship.

Quiet diplomacy is useful and has its place. But in a democracy like ours, it is also important that issues be raised and debated publicly. We do no good by trying to sweep difficult and contentious issues under the carpet. Our dialogue with Japan on both security and trade issues has progressed significantly, but it still too often seems to be a dialogue of the deaf.

Defense issues in Japan today are still framed largely in terms of bilateral relations with the United States. The issue seems to be not how best to provide for our common security; rather, it is how to satisfy American demands with a minimal expenditure of money and effort. From the Japanese viewpoint, such an approach may succeed in the short run. But it carries with it the risk that, over time, American confidence in the partnership will erode.

What we are actually seeking from Japan—and from our European allies as well—is to address our common security concerns in a true comprehensive manner. That is, to place security issues in their global context with the objective of discovering how each ally can best make a meaningful contribution to the total defense effort.

Security is obviously much more than defending against a direct invasion. If it weren't, the United States would have no need of allies at all. Our nuclear arsenal would deter any potential invader. A broader concept of security recognizes that to preserve democratic institutions, and for market economies to flourish, free peoples must also be able to live free from threats of intimidation and coercion.

Sharing the security burden in this broader sense has several dimensions. It has a technical military dimension. It has a financial dimension and an industrial dimension. And perhaps most importantly, it has political and psychological dimensions.

Statistical reference points such as the percentage of GNP devoted to defense are perhaps even more important psychologically and politically than they are from a technical military standpoint. They are visible symbols of how defense questions are regarded by a democratic people.

Thus it is to be welcomed that Japan's defense budget this year increased by a substantial percentage at a time other budgetary items were being held constant or being cut. Similarly, Japan's decision to extend its defense perimeter out to 1,000 miles will not only add to allied capabilities, it signals an important advance in Japanese attitudes towards their defense responsibilities.

On the other hand, so long as Japan sticks as a matter of policy to a 1 percent of GNP ceiling, it will be difficult to convince many Americans that Japan is serious about making an appropriate and significant contribution to our common defense.

But at the same time, we should dispel the Japanese misconception that the United States wants Japan to act as a surrogate for declining U.S. power under some strict "division of labor" formula.

First of all, to suggest that Japan—a first rank nation—would act as a surrogate demeans our partnership.

Second, U.S. power is not declining, in an absolute sense. What is true is that for over a decade the United States made little or no effort to counter the determined growth in Soviet military power and reach. And during that same period, Japan and Western Europe achieved economic superpower status.

The end result is that the responsibility for our collective security should, and must now be shared more widely and more equitably. In other words, we want to put more mutuality into the mutual security relationship.

There is also, I believe, a growing awareness on the part of other friendly nations in the region that security is a shared responsibility. The ASEAN nations in particular have made considerable progress in coming to grips with the realities of Vietnamese and Soviet expansionism. For some countries, these new worries come on top of their own internal security problems, and to some extent, concern over China's ultimate objectives. Nevertheless, an unprecedented volume of information and views is being exchanged in order to coordinate policies more closely.

Australia and New Zealand can and are also playing a very useful role, particularly in Southeast Asia. Both have long standing security ties with Singapore, Malaysia and Thailand that provide a solid basis for further cooperation.

I am not suggesting that we need any new formal security structures. But the complexity and seriousness of security questions requires continuing and close consultations among all our allies, friends and associates.

I would add that it is also critical for U.S. business to participate fully and aggressively in the very exciting economic growth that is taking place. It is only through daily interaction in a wide variety of activities that we can build the kind of democratic values and institutions that will provide the ultimate basis for a secure world.

Senator HAYAKAWA. Thank you, Senator Roth.

I would like you to comment on the following observation that I have frequently run into in connection with Japan increasing her defense expenditures and her defensive strength. In the Philippines, Singapore, and Malaysia and in other nations where the Japanese Army during World War II was very arrogant and cruel and committed many atrocities there is a terrible fear of a strongly rearmed Japan. Therefore, the Japanese themselves are concerned that that fear may be aroused if they come across as too strong again.

This is one of the inhibiting factors within Japan to their spending very much more on their defense. This is what the Japanese have told me. Do you have a comment on that, Senator?

Senator ROTH. Mr. Chairman, you are absolutely correct in your observation. There are a number of factors that impel Japan to take a very cautious look at increased military expenditures, one of them being the fact that the Southeast nations do still remember the consequences of World War II and are concerned about an aggressively rearmed Japan. It is also true that there is a constitutional limitation and that the people of Japan, generally speaking, are very apprehensive about increased military spending. So there is that side of the problem.

However, looking at the overall picture, the fact remains that Japan is probably the most successful industrial nation of the world and that her gross national product in the 1990's could well equal, if not surpass, that of the United States. So I think we have to be realistic about the situation and understand that we cannot expect the American people to bear the greater share of these military burdens as they did in the 1950's and 1960's, when our economy was second to none, when Japan and Western Europe were still suffering the ravages of World War II.

It is a new situation, so it seems to me critically important, Mr. Chairman, that the Japanese, the Americans, as well as the other democratic powers in Western Europe and elsewhere do sit down and take a long-term look at where are we going to be in the 1990's. As I said, it would be unfair, inequitable and, I think, very difficult to maintain a major effort on the part of the American people if the other countries are not going to share in this matter equitably.

So what I am strongly urging is that we take a long-term look and begin to build the kind of shared responsibility that will protect the security of the free world. It is not going to be easy, I agree.

Senator HAYAKAWA. Thank you.

In part, you have already answered the question as to why the Japanese have set an unofficial limit of 1 percent of GNP for their defense spending. Do you see any desire on the part of the Japanese Government to eliminate this ceiling and to concentrate instead on spending what is necessary?

Senator ROTH. Mr. Chairman, as you know, there are considerable discussions going on. I think there is some recognition among Japanese Government leaders, that they are going to have to do more. As we all know, Japan is a country where there is consensus building before there is any significant action. That is one of the reasons I think it is important that these discussions become out in the open.

The Japanese often complain that what they do seems to be in response to American demands or complaints. Very candidly, I would welcome the Japanese seizing the ball and beginning to move actively in this area. If they do not, this is going to continue to be a troublesome matter between our two countries.

There is strong feeling, Mr. Chairman, in the United States that the fact that Japan pays so little for defense gives her a tremendous advantage in industrial competition.

Senator HAYAKAWA. Of course.

Senator ROTH. After all, if we are going to be spending anywhere between 5 and 7 percent of gross national product on military expenditures, those funds are not available for commercial development. I think there is a great deal of merit in the arguments being made in this country that it places our business, our private sector, at a handicap.

I think the Japanese are going to have to face that reality. As I have said, looking down the road with their tremendous growing economy and their effectiveness in commercial matters, it is important that their leaders provide the kind of political climate that will make it possible for Japan to contribute a greater share.

Senator HAYAKAWA. Thank you, Senator Roth. I see Senator Levin has arrived.

Senator Levin, would you like to sit at the witness table, please? Senator Roth has to leave at 10 and then we will get to your testimony immediately thereafter.

Is there no fear on the American side that by constantly pushing the Japanese on this matter we can create a backlash?

Senator ROTH. Mr. Chairman, that concern has been expressed. That is always a possibility. But I will be candid. I think the voices that have been raised in this country have been relatively moderate. I think in a relationship between two democracies both sides have to speak up freely. It is possible that you could have a backlash.

You occasionally hear people say that Japan could wrench to another direction. I do not see that as too much of a reality. The Japanese people have done extraordinarily well under a democratic form of government at the marketplace. So while anything is possible, I do not see that as a likely reality.

Senator HAYAKAWA. Of course, the Japanese have their own advocates of a stronger defense position.

Senator ROTH. That is correct. There are a number of voices that have urged that.

Senator HAYAKAWA. There is some disagreement among the Japanese themselves.

Senator ROTH. That is correct.

Senator HAYAKAWA. There is talk both here and in Japan of the need to revise the security treaty to create what some would call a more equal alliance. Is this necessary or desirable in your opinion?

Senator ROTH. I do not know that there has to be any revision in that agreement. As I indicated earlier, I think it is important that the Japanese and ourselves, as well as our European allies, sit down and take a long-term look at the security posture of a free world for the reasons that I have outlined—that both Western Europe and Japan are now economic powers that face substantial growth in the future.

I think there is going to have to be a greater shared responsibility of the burdens of defense and that this country, the United States, no longer can be making the sizable contributions that it is without larger significant increases on the part of our friends and partners.

Senator HAYAKAWA. If this does not happen, is there any threat to our relationship?

Senator ROTH. If this does not happen, if she does not do more?

Senator HAYAKAWA. That is right.

Senator ROTH. I think it could have some serious implications, yes. For example, if Japan's economy approaches ours by the 1990's and she is spending, say, only 1 percent and this country is continuing to spend 5, 6 or 7 percent, I think you could see a backlash in this country.

Many people might say if they are not going to carry a greater part of the burden, why should we. I think that would be a serious implication.

Senator HAYAKAWA. I have no further questions for now, Senator Roth. Do you have any concluding remarks that you would wish to make?

Senator ROTH. No, Mr. Chairman, but I do want to say that I appreciate your holding these hearings. I am concerned that this region of the world does not get as much attention sometimes here on the Hill as I think it deserves. I happen to be a believer that the Pacific Basin is one of the most exciting areas of the world, having great growth and great promise. It is important that this country pay much more attention to it.

I congratulate you for your role.

Senator HAYAKAWA. Is it not true that the total trade that we have with nations of the Pacific Basin exceeds the total trade we have across the Atlantic?

Senator ROTH. That is correct. And I can see it growing. If you look at the fact that the countries around the rim of Asia particularly are exploding at a faster rate of growth than anywhere else in the world, there is a tremendous opportunity and challenge. For that reason, I am a strong believer that we on the private side should become much more involved in the trade and development of that region.

Senator HAYAKAWA. Well, with our interest as Americans in making money, we should be paying much more attention, shouldn't we?

Senator ROTH. Absolutely. There is no question about it. We are doing too little.

Senator HAYAKAWA. Thank you very much, Senator Roth. I hope you will be on time for your meeting.

Senator ROTH. Thank you.

Senator HAYAKAWA. Senator Levin, it is a pleasure to have you here.

Senator LEVIN. Thank you very much, Mr. Chairman.

Senator HAYAKAWA. Senator Levin, at the last count you had 47 cosponsors of your resolution calling upon Japan to spend at least 1 percent of its GNP on defense, and obviously a number of Senators feel very strongly on this issue. Forty-seven, is that correct?

Senator LEVIN. It is now 49, including myself.

Senator HAYAKAWA. You must be twisting a lot of arms.

Do you believe that if Japan does not meet our expectations in this area some in the Congress will begin to question our basic relationship?

That is an example of the questions that will be arising. I would like you, first of all, to present your testimony.

STATEMENT OF HON. CARL LEVIN, A U.S. SENATOR FROM MICHIGAN

Senator LEVIN. Thank you, Mr. Chairman. I would, of course, be happy to answer your question.

First, let me thank you for the opportunity to appear before the Foreign Relations Committee to testify about the growing concerns many Americans have about the current United States-Japan security relationship. These concerns have led 49 of us so far to sponsor my sense-of-the-Congress resolution urging the Japanese to significantly increase their contributions to our common defense.

This resolution—Senate Concurrent Resolution 46—also has been introduced in the House of Representatives by the chairman of that body's Foreign Affairs Committee, Representative Zablocki, as House Concurrent Resolution 213.

These resolutions, Mr. Chairman, are a clear indication of how strongly the American people feel that Japan is not meeting its commitments to our mutual security and is not bearing a fair share of the burden of our common defense. Our resolution calls on Japan to spend annually at least 1 percent of its tremendous gross national product, the second largest in the world, on defense. This call comes at a time when our own citizens are making increasing sacrifices and are spending almost 6 percent of our GNP for defense capabilities which benefit our allies, including the Japanese, as well as ourselves.

This committee should report out Senate Concurrent Resolution 46 expeditiously and favorably for passage by the full Senate, for at least five reasons.

First, Japan's defense effort is inadequate by almost every measure one can apply, not only in terms of providing for that nation's self-defense, but in terms of enabling it to meet its already agreed to common defense commitments under the 1960 Treaty of Mutual Cooperation and Security.

The fact that Japan is doing far less than what can be reasonably expected has been well documented. For the past 2 years, at my initiative, our Defense Department has issued a "Report on Allied Commitments to Defense Spending." Each of those 2 years the Department of Defense has concluded the following:

> Japan ranks last or close to last on all of the ratio measures surveyed and, thus, quite clearly appears to be contributing far less than its share of what it is capable of contributing. This validates our major emphasis over the last several years on getting the Japanese to increase their defense spending.

Mr. Chairman, I shall submit for the record at this point, if it is agreeable with the Chair, additional evidence from our own Government, leading Japanese military officials, and Asia scholars demonstrating the inadequacies of Japan's present defense posture.

[The information referred to follows:]

JAPAN'S DEFENSE INADEQUACIES

Evidence that Japan clearly has failed to meet its self-defense responsibilities—and its commitments to the common defense under its mutual security treaty with the United States—includes statements from leading Japanese military officers, scholars and assessments by the U.S. Government. In addition to the conclusion cited above, these judgments include the following:

"* * * U.S. encouragement for the Japanese to do significantly more in their own defense is neither unwarranted nor excessive. In fact, with almost total dependence on imported oil, Japan simply must do more to meet its defensive needs at home to help compensate for the intensive and extensive U.S. effort in Southwest Asia—in Japan's behalf as well as our own—1981 Report on Allied Commitments to Defense Spending, (March 1981).

"Japan's top military leaders challenged the Government's defense posture . . . and said its five-year-old program is inadequate to meet needs. "The present international situation is quite different from that in 1976, when the outline was adopted," Adm. Isugio Yata, chairman of the Joint Chiefs of Staff, was reported to have told Prime Minister Zenko Suzuki."—United Press International, Tokyo, April 9, 1981.

"* * * They are still fundamentally unable to provide effective, meaningful self-defense against the threat facing Japan in the 1980's. * * * By its own public analyses, (Japan's) Self-Defense Forces cannot sustain its army divisions, destroyers, and tactical aircraft in combat due to very limited supplies of ammunition, torpedoes, and missiles. The size and modernization of Japan's air and naval forces are not adequate to defend its air space and sea-lanes to 1,000 miles against Soviet force levels of the 1980's . . . . Substantially more significant efforts will be required in each of the next five years of the defense planning period."—Assistant Secretary of Defense (International Security Affairs) Francis J. West, Jr., March 1, 1982, testimony to House Foreign Affairs Subcommittee on Asian and Pacific Affairs.

"A Pentagon team headed by Assistant Secretary of Defense David MacGiffert asserted at a U.S.-Japan security conference in July, 1980, that Japan did not possess even a minimum deterrent and could not defend against even a small-scale attack."—Washington Post, May 4, 1981; Washington Star, May 9, 1981.

"The (Japan) Prime Minister's study group on national security issues estimated in its report of July, 1980, that only half of the assets of the Self-Defense Forces could be counted as 'actual combat power' in an emergency."—Report on Comprehensive National Security, Tokyo, 1980.

"Japanese observers, in and out of the government, have acknowledged that the Maritime Self-Defense Force is ill-equipped to deal with Soviet nuclear submarines and attacks from enemy aircraft and surface ships. Japanese naval vessels lack surface-to-air and surface-to-surface missile assets as well as modern electronic equipment. The MSDF air arm is an antisubmarine force with no interceptor or attack aircraft. The Air Self-Defense Force has not been integrated into an air defense scheme for Japanese surface ships, and there is little coordination between the two branches. The Japanese surface fleet thus is dependent on U.S. air superiority even in the seas nearest to Japan. As a result, Defense Agency officials acknowledged in 1980 that in wartime, the Maritime Self-Defense Force could protect at most only half of the 400 merchant ships per month required to supply Japan with minimum import needs. The minelaying and blockade assets of the Maritime Self-Defense Force are also limited. It has only one minelaying vessel. Most of the mines and torpedoes in Japan's arsenal are obsolete and not ready for immediate use in an emergency. Hara Toru, Director of the Defense Bureau of the Defense Agency, stated in parliament in 1980 that Japanese forces could take as long as six months to lay mines in the Tsushima, Tsugaru, and Soya straits. Hara and the Director of the Defense Agency acknowledged that Japanese naval and air forces could not prevent a hostile power from using the straits.

The Air Self-Defense Force has over 350 combat aircraft, including ten interceptor squadrons consisting of 150 F-104DJ fighters and 130 F-4EJ fighters. Both are dated, particularly the F-104's. The defense white paper for 1980 described the defense facilities for air bases as a "striking deficiency," citing in particular a lack of modern surface-to-air missile defenses and outdated radar sites. Japanese air bases would appear to have a minimum survivability in wartime. It is therefore unlikely that the Air Self-Defense Force could control the skies over Japan and adjacent waters in the face of attacks by modern Soviet MIG-27's, MIG-23's, and SU-19's which have become the backbone of the Soviet attack fighter force in eastern Siberia. Moreover, the Air Self-Defense Force undoubtedly would have little effectiveness against the Backfire bomber.

It is generally recognized that all branches of the Self-Defense Forces suffer from shortages of ammunition, spare parts, and other logistics problems. The MSDF and ASDF have no reserves to speak of. The Self-Defense Forces have no system for integrated command and control of ground, air, and sea forces.—"Defense Burden-Sharing in the Pacific: U.S. Expectations and Japanese Responses," by Larry A. Niksch, Congressional Research Service Specialist on East Asia, in Asian Affairs, July-August 1981.

Senator Levin. Second, Japan has failed to honor its commitments to the common defense by refusing to devote sufficient resources to keep specific promises that it made to our Government, or to back up public statements, about improving its military capabilities.

For example, in 1976, the Government of Japan said that 1 percent of GNP could be spent on defense under the nation's peace constitution and government policy. Six years later—I repeat, 6 years later—Japan is expected to spend at most 0.93 percent of GNP on defense in 1982. Growth above 0.9 percent of GNP has been almost nonexistent since 1976, and attainment of at least the 1-percent level seems many years away.

In 1977, the Japanese Defense Agency announced its self-defense forces would assume responsibility for the security of the sea transport routes 1,000 miles from the home islands. In 1981, when Prime Minister Suzuki reiterated this policy after his May summit meeting with President Reagan, Japan's self-defense forces were only mariginally more capable of accomplishing that mssion than they were 4 years earlier.

In mid-1980, Japan led the U.S. Government to believe it would increase its defense spending for fiscal year 1981 by 11.9 percent above fiscal 1980 levels. The final increase was only 7.6 percent, about one-third less.

In 1981, in addition to reaffirming the policy of defending Japan's sea lanes of communication out to 1,000 miles, Prime Minister Suzuki pledged his nation would make "even greater efforts" to improve its defense capabilities. Yet the Japanese defense spending increase projected last December for fiscal year 1982 falls far short of the amount needed to keep these promises of greater efforts and sea lane security out to 1,000 miles. So testified Deputy Defense Secretary Frank Carlucci to the Senate Armed Services Committee in February of this year.

Under the low level of Japanese defense spending projected for the next 5 years, Japan simply will not achieve the self-defense capabilities it has promised to obtain to meet its own common defense commitments until the early 1990's.

Third, Japan's economic condition clearly enables it to increase its defense effort without overly straining its growing economy. The contention by some Japanese that economic and social welfare conditions prevent them from increasing defense contributions would only be valid if such proposed increases exceed militarily needed and economically supportable levels.

Such is not the present case with Japan. For instance, Japan has less than one-half our inflation rate and less than one-quarter our unemployment rate. We spend over eight times what the Japanese spend per capita on defense, although our per capita GNP is less than half again larger than theirs. At this point in the record, Mr. Chairman, I would like to insert statistics comparing the strength of Japan's economy with that of our own. This information establishes that Japan's economy remains much stronger than our own.

[The information referred to follows:]

UNITED STATES-JAPAN COMPARATIVE ECONOMIC SITUATIONS AND DEFENSE CONTRIBUTIONS

A simple comparison between United States and Japan economic indicators and measurements of defense contributions demonstrates convincingly that Japan has the fiscal capabilities to significantly increase its defense efforts without overburdening its economy. For example:

	1980		1981		1982	
	Japan	United States	Japan	United States	Japan	United States
Annual real growth in gross national product (percent)	5.0	−0.2	4.1	2.0	5.2	−0.9
Annual real growth in defense spending (percent)	−14.0	14.3	3.9	4.1	4.62	7.7
Percent of GNP spent on defense (percent)	0.9	5.2	0.906	5.5	0.933	5.9
Per capita GNP	$8,902	$11,786	$9,578	$13,060	$9,515	$13,986
Per capita defense spending	$84	$607	$98	$759	$93	$790
Annual inflation rate (GNP deflator) (percent)	3.1	9.0	3.6	9.2	3.0	7.4
Annual unemployment rate (percent)	2.1	7.15	2.2	7.59	2.1	8.95

The "bottom line" of these statistics is that, while the United States entered a period of economic stagnation, of little or no growth in its gross national product, Japan still was experiencing much larger economic growth rates. At the same time, the United States defense spending was proportionally much greater than Japan's.

The disparities in defense spending efforts were highlighted in a report by the Library of Congress Congressional Research Service entitled "Japan's Defense Expenditures and Policy: Recent Trends and Comparisons with the United States." The report stated:

"Considering that Japan's economy is the third largest in the world and still enjoying relatively high rates of growth. Japan appears to have the capacity to channel considerably more resources into defense."

Assistant Defense Secretary for International Security Affairs Francis J. West, Jr., summarized Japan's economic and defense potential in recent testimony to the House Foreign Affairs Subcommittee on Asian and Pacific Affairs by staging:

"If Japan should decide it is in its interest, it could with its economic vitality do significantly more for its own self-defense than any other U.S. ally in the world. Such actions would have meaningful results for Japan's own security and for the stability of the entire Free World."

There should be no question that Japan has the economic capabilities to increase its defense spending as a percentage of GNP at much greater rates than she now is doing.

Senator LEVIN. Fourth, one does not have to overstate the military threat posed by the Soviet Union and its allies in the Pacific region or understate the combined military capabilities of the United States and its allies, to reach the conclusion that the Soviet challenge is real, impressive, and growing. There is a need for both our Nation and Japan to improve their conventional military capabilities.

Finally, Mr. Chairman, Senate Concurrent Resolution 46 is completely consistent with the mutual security treaty between our two nations, and with Japan's peace constitution and government policies. It does not call for the remilitarization of Japan or for it to assume new defense responsibilities and capabilities which would violate its Constitution or its policies. There are many defense improvements Japan can make and should make without doing that and without threatening its Asian neighbors. I would like to insert in the record, Mr. Chairman, at this point, examples of such defense improvements.

[The information referred to follows:]

"DEFENSIVE-ORIENTED" IMPROVEMENTS TO JAPAN'S ARMED FORCES

Chief among these would be for Japan to achieve a real capability to undertake her own self-defense, as articulated by the policy statements of its own government, during the period of the mid-1980's. This would represent an acceleration of Japan's present plans, which only envision attainment of those capabilities by the end of the decade, if then.

Such self-defense improvements include:

(1) greatly increase the logistics capabilities of the air, land and maritime self-defense forces to enable them to support and sustain themselves in combat for a period of at least several months. Specifically, missiles of all types (surface-to-air, surface-to-surface and air-to-surface), anti-submarine warfare (ASW) torpedoes, underwater mines and other conventional ammunition (artillery and small arms) need to be procured and stockpiled in much greater quantities than at present for Japan to accomplish this.

(2) procure the delivery vehicles—submarines, minelayers and C–130 aircraft—to be able to mine the three "choke points" which form the exits from the Sea of Japan to the Soviet Pacific Fleet: the Tsushima, Soya and Tsugaru Straits.

(3) develop the capability, through procurement of fleet oilers and tanker aircraft, to refuel ships and aircraft underway, and thus support sustained combat operations.

(4) develop modern, tactical command, control and communications capabilities in all the self-defense forces.

(5) expand the size of the air and maritime self-defense forces to enable them to patrol and monitor the ocean areas of Northeast Asia within 1,000 miles of the home islands. To accomplish this, Japan would need to significantly increase the size of her maritime and air self-defense forces through increased procurement of escort vessels, destroyer-type ships and submarines, and maritime patrol aircraft, air force interceptors and early warning aircraft. These increases would be necessary above the programmed increases in such capabilities already contained in the 1979 Mid-Term Service Estimate for 1980–84 and in the Standard Defense Force Concept (Boei Taiko) of 1976.

(6) continue to expand its contributions annually to the operations and maintenance, and military construction, required to adequately support the U.S. armed forces stationed in and near Japan.

Japan Prime Minister Suzuki's established goals for improving the self-defense forces should be accomplished by no later than fiscal 1986, instead of by the end of the delivery period for defense purchases made in fiscal 1987, as is presently contemplated. Also, Japan should program additional improvements beyond these goals, since the international challenges to our common security have become greater since they were adopted.

Improved surface-to-air missile batteries and radars on the home islands of Japan pose no threat to other nations in the Pacific region. Nor does a Japanese capability to successfully close the Straits of the Sea of Japan with modern, effective mines threaten Japan's neighbors. Providing Japan's air, sea, and ground forces with enough bullets, missiles, and fuel to fight any invading force for longer than a few days also cannot be construed as an "offensive" military capability.

However, all of these improvements would significantly increase Japanese and American capabilities to defend the Asian region from Soviet aggression aimed at severing the oil and trade lifelines of Japan and other Western nations or attacking Japan itself.

Senator LEVIN. Senate Concurrent Resolution 46 simply calls on the Japanese to keep their defense commitments. As such, it does not represent interference in Japan's internal affairs since it echoes the statements and commitments made by Japan's own government.

The administration testified before our Armed Services Committee that "the rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable," and that congressional support for the administration's efforts to secure such increases "would be welcome."

Mr. Chairman, passage of Senate Concurrent Resolution 46 would provide such support and send a clear message to the Japanese that the American people are fed up with their feeble, less than 1 percent GNP defense effort and that the American people are determined to do what they can to see to it that Japan, our ally, fulfills its responsibilities to our mutual security.

Senator HAYAKAWA. Thank you very much, Senator Levin.

Why do you focus on 1 percent of GNP? Is that the figure they proposed originally?

Senator LEVIN. The Japanese, in 1976, said that 1 percent of GNP was a figure that was permissible under their Constitution and under their policy. We do not want to interfere in their internal activities. Since they said 1 percent of GNP was permissible, and since we know, to put it mildly, that it is reasonable given the fact that we are spending 6 percent of our GNP and given the fact that it is needed, we use that statement of the Japanese Government to avoid any interference in their internal activities.

I would emphasize, Mr. Chairman, that we say "at least" 1 percent of GNP in our resolution because it is such a modest goal for Japan.

Senator HAYAKAWA. Certainly it is in comparison with our own and that of our European allies. Fred Ikle last week, at the first of these hearings, suggested that Japanese defense spending might need to average 1.3 percent of their GNP between 1983 and 1987 to achieve even modest goals.

You would agree, would you not, that that would be a modest demand indeed? Is that 1 percent written into their Constitution or into their treaties with us?

Senator LEVIN. No; it was a statement of their government that the 1 percent was permissible under their Constitution. It is not written into the Constitution. It was government policy that they could spend 1 percent of their GNP, consistent with their Constitution.

Senator HAYAKAWA. Well, is that their own interpretation of their Constitution?

Senator LEVIN. Yes.

Senator HAYAKAWA. By their Constitution they mean the Constitution generously supplied to them by the Emperor MacArthur.

We need to convince the Japanese—I get this message from both you and Senator Roth—that the Japanese need to brush aside their previous fixation on this 1-percent figure.

Senator LEVIN. I'm not sure what you just said, Mr. Chairman.

Senator **Hayakawa**. I get from both Senator Roth and from your statement that we need to convince the Japanese that they ought to get past their fixation on the 1-percent figure. So wouldn't it be better if we avoided using the 1-percent figure as well?

Senator **Levin**. Well, not if we put in the phrase "at least 1 percent." We expect them to go beyond that, but we want them to get over that hump. They are not going to do it at the rate they are going until the 1990's, and there is no way they are going to carry out their policy to protect the sealanes out to 1,000 miles from Japan during the 1980's at the rate they are spending. And that is their own commitment.

Let me say that no one is imposing that on the Japanese. That is a commitment that they have made to us, freely made.

Senator **Hayakawa**. Would you be amenable to language which instead of mentioning the 1 percent would call on both the United States and Japan to meet their mutual defense needs without regard to artificial ceilings?

Senator **Levin**. I have no objection to that language being added, but I would object to the reference to 1 percent being deleted. I think we should meet our mutual needs and not set a ceiling of 1 percent. But the way it is phrased in the resolution it is not a ceiling. It is a floor. It is "at least 1 percent," so it is consistent with the language that we ought to meet our mutual defense needs, whatever they are, and we should set no ceiling on that.

Senator **Hayakawa**. In questioning you and Senator Roth I find myself on the other side of a discussion that I have had with Japanese officials many times in which I have been pushing on your side and asking such questions as these. What are all these Soviet troops doing up in the Kuriles? Some of them are only a few miles away from Japan, from Hokkaido—what are the Soviet troops doing in Sakhalin, or what the Japanese used to call Karafuto, the island just north of Hokkaido. There is a significant Soviet establishment up there.

And in the South Pacific and in the Indian Ocean and so on there are Soviet ships patrolling those areas constantly. They are a constant threat to the shipping of oil, for example, and other materials from the Persian Gulf or Europe to Japan. And what is Japan doing at least to monitor that prowling around that the Soviet ships are doing in the South Pacific and in the Indian Ocean?

Are these considerations that worry you too?

Senator **Levin**. Very much so. But, even more significantly, I think they have to worry the Japanese—at least most of them.

Senator **Hayakawa**. The Japanese do not seem to worry about it very much, do they?

Senator **Levin**. They do not act as though they do at times, but I think they let us worry for them. I think they take advantage of the fact that they expect us to carry an undue burden of the mutual defense, and so they let us do the worrying for them. I think if we indicate to them that we are not going to carry their burden—we are happy to carry our own.

We consider them a good ally—which we do. This is not a matter of saying that they are not an ally of ours. Our interests are obviously mutual, but they are the ones who are looking down the Russian barrel more directly even than we are, and they are closer to it, as you have just pointed out, than we are. I would think that we should let them know that we are not willing to carry their share.

I think that the reason they do not appear so concerned, as indicated by their defense spending, is because they think we are going to carry their burden, and we should let them know we are not going to carry it.

Senator HAYAKAWA. Certainly the threat to the sealanes of the Persian Gulf to Japan threatens the lifeblood of their industry, does it not?

Senator LEVIN. Absolutely. It is more vital to them than it is to us, and we should protect that interest. It is even more important to them.

Senator HAYAKAWA. Then, with the Soviet fleet now having a facility on Cam Ranh Bay since the Vietnam war, I think it becomes even more serious.

Thank you very much, Senator Levin. I very much understand your position in this matter and am grateful to you for your thoughtful presentation.

Senator LEVIN. Mr. Chairman, I again want to thank you for holding these hearings, for allowing me to testify. In addition to the three exhibits which I indicated I would like to insert, I have some additional material that I would like to attach to my statement for the record and, again, I would hope that this committee would find their way to reporting out Senate Concurrent Resolution 46 because of the modest language, in my opinion, that it contains, and the fact that it has such broad bipartisan support.

Thank you.

Senator HAYAKAWA. Thank you.

[The information referred to follows:]

ADDITIONAL ARGUMENTS BY SENATOR LEVIN

WHY SHOULD CONGRESS PASS SENATE CONCURRENT RESOLUTION 46 AS OPPOSED TO THE OTHER LEGISLATIVE PROPOSALS DEALING WITH JAPANESE DEFENSE EFFORTS?

Senate Concurrent Resolution 46 avoids many of the complications which might interfere with passage of the other proposals or which might make them more vulnerable to Japanese criticism and rejection, especially by the Japanese public.

Passage of Senate Concurrent Resolution 46 would represent steady and consistent Japanese contributions to the common defense. However, since it calls on the Japanese to do what they say they can do, as opposed to suggesting to them military missions which might be construed as violating government policy or the peace constitution, Senate Concurrent Resolution 46 is a relatively moderate formulation.

Passage of Senate Concurrent Resolution 46 would represent a significant step without "going too far" at the present time.

Senate Concurrent Resolution 46 avoids the complexities and potential "double-edged" risks which could accompany any effort to renegotiate the United States-Japan security treaty, as suggested by Senator Helms. For example, such a renegotiation would give the Japanese the opportunity to seek concessions from the United States, as well as affording the United States the chance to obtain larger defense contributions from Japan.

Larger defense contributions from Japan can be accommodated within the existing treaty framework. We do not need to run those risks.

Senate Concurrent Resolution 46 is completely consistent with the existing treaty.

Senate Concurrent Resolution 46 does not urge the Japanese to undertake expanded military missions far from the home island which could be construed by the Japanese public as well as other Asian nations as assumption of a more "offensive" orientation for Japan's forces. This could pose constitutional, political, and diplomatic problems for Japan and create an antidefense backlash in that country.

House Concurrent Resolution 172, which urges Japan to expand its maritime patrol activities toward the Persian Gulf poses these problems. Senate Concurrent Resolution 46 is consistent with Japan's constitution and "self-defense" policies.

Senate Concurrent Resolution 46 avoids causing Japanese domestic political problems, and an antidefense backlash, which could result from attempts by the United States to negotiate a "security tax" of 2 percent of GNP from Japan, as called for in House Concurrent Resolution 210. Japanese resentment of any American attempt to levy a security tax on their own, independent nation, could be significant.

WHY SHOULDN'T SENATE CONCURRENT RESOLUTION 46 BE CONSIDERED UNDUE AMERICAN INTERFERENCE IN INTERNAL AFFAIRS?

Senate Concurrent Resolution 46 does not impose new defense responsibilities on Japan. It simply calls on the Japanese to reach a level of annual defense spending which its own government has declared is permissible within its constitutional and policy constraints.

In May, 1981, Prime Minister Suzuki pledged in his summit meeting communique with President Reagan that Japan would make even greater efforts on behalf of the common defense than it had in the past.

At a National Press Club appearance after the summit, the Prime Minister stated it was his government's policy that Japan achieve the capabilities to defend its air and sea lines of communication out to 1,000 miles from the home islands. This, too, is constitutionally permissible, he said.

Japanese experts have calculated that achieving these latter self-defense capabilities could require between 1 and 2 percent of GNP being spent on defense.

Senate Concurrent Resolution 46 only urges the Japanese to begin devoting the minimum level of resources their own experts have calculated are needed to begin developing adequate self defense capabilities. It is not a figure imposed by American experts.

A special commission established by Japan's Prime Minister in 1980 recommended an annual level of defense spending increases—20 percent each year for 5 years—which would have resulted in at least 1 percent of GNP being spent on defense. Senate Concurrent Resolution 46 only echoes this recommendation.

Senate Concurrent Resolution 46 is much more moderate in its approach—in that it urges the Japanese to do something they already have said they can do—than other U.S. Government initiatives which have not been criticized by our State Department as interference in Japan's internal affairs.

For example, late last year, the U.S. Government presented the Government of Japan with an extremely detailed list of specific changes we sought the Japanese to make in its trade barriers—in its tariff and nontariff regulations.

FINAL WORDS FROM THE ADMINISTRATION ON JAPANESE DEFENSE SPENDING

"The rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable."—Deputy Secretary of Defense Frank Carlucci to Senator Levin in response for record at full Senate Armed Services Committee hearing on fiscal year 1983 defense budget, February 8, 1982.

"We fully understand the concerns reflected in Senator Levin's Senate Concurrent Resolution 46. There can be no doubt that Japan is capable of an expanded defense effort. We agree that neither has its performance measured up to its economic and industrial capabilities nor matched the requirements of the current international situation.

"In our discussions we stress that, within recognized constitutional and policy constraints, we want Japan to strengthen substantially its capabilities (especially air defense and protection of its northwest Pacific sealanes) and to increase its financial support of U.S. forces in Japan. Other than the specific mention of a 1-percent-of-GNP figure, the draft resolution language is consistent with this approach."—State Department Letter on Senate Concurrent Resolution 46 to Foreign Relations Committee chairman, Senator Charles H. Percy, February 10, 1982.

"We hope the Congress and this committee will participate and play a significant role in convincing Japanese leaders of the wisdom of substantive United States-Japan defense cooperation."—Assistant Secretary of Defense (International Security Affairs) Francis J. West, Jr., to House Foreign Affairs Asia Subcommittee, March 1, 1982.

"Support of the Congress for increased allied defense efforts to promote more effective defense capability would be welcome."—Deputy Secretary of Defense Carlucci (same as above).

"Given the increasing Soviet threat to our common interests, it is essential that we, our allies and our friends transmit an unremitting signal of resolve to protect these interests for so long as they continue to be threatened."—Under Secretary of State Walter J. Stoessel, Jr., at Foreign Relations Committee at hearing last week on East-West strategic competition in Asia, February 10, 1982.

WHY WON'T PASSAGE OF SENATE CONCURRENT RESOLUTION 46 UPSET JAPANESE PUBLIC OPINION AND MAKE IT MORE DIFFICULT FOR THE GOVERNMENT TO WIN SUPPORT FOR PROPOSALS TO INCREASE DEFENSE SPENDING?

Japanese public opinion is more aware of the need for increased defense spending than the government there has appeared to be recently.

For example, the most recent issue of the ruling political party's monthly newsletter, the Liberal Star of May 10, 1982, reported that a major public opinion poll late last year showed that almost half of the Japanese people believed Japan was making insufficient defense efforts.

Those answering "no" to the question "Is Japan carrying out sufficient defense efforts?" now comprise about 49.1 percent of the population, and their numbers have grown markedly since 1978, when only 27.8 percent answered "No" to this question.

Late last year, the Japanese Foreign Ministry also reported that another major public opinion poll showed that "The Japanese continued to be wary of the Soviet Union." "A high 84 percent, unchanged from last year, did not express friendship toward the Russians," the Foreign Ministry reported.

Former American Ambassador to Japan U. Alexis Johnson recently testified to a House Foreign Affairs subcommittee that the influence of the traditionally antidefense opposition political parties in Japan is on the wane.

From this evidence, one could suggest that public attitudes toward increased Japanese defense spending are changing in a positive direction in Japan, and that more support for actions such as that urged in Senate Concurrent Resolution 46 actually exists than some Government spokesmen contend.

The consensus for increased defense spending already has grown substantially, and the leaders ought to pay more attention to those they are leading in this regard, since the latter seem to be more, not less, supportive.

WHAT'S SO "MAGIC" ABOUT THE "ONE PERCENT" FIGURE IN SENATE CONCURRENT RESOLUTION 46?

Nothing, as long as it is characterized by American policymakers as a "floor" from which the Japanese should increase upward their defense contributions—as opposed to a "ceiling" at which Japanese defense spending can stop when it is reached.

The words "at least" are included in Senate Concurrent Resolution 46 just before the 1 percent figure to demonstrate that the United States wants Japan to spend what is necessary for it to meet its self defense and mutual security responsibilities—which in all likelihood will require more than 1 percent of Japanese GNP annually—instead of focusing solely on an arbitrary statistic which would interfere with achieving this necessary defense capability.

The "1-percent" figure was included because it is the figure which the Japanese Government said was permissible under the constitution and policy, and since Senate Concurrent Resolution 46 was, in part, drafted so one could argue that, by passing it, the Senate simply was urging the Japanese Government to accomplish what it said it would or could do in the way of improving its defense capabilities. This would avoid charges that Senate Concurrent Resolution 46 was imposing unreasonable, impossible demands on Japan.

Even in this context, however, the "at least" is an important caveat on the "1-percent" exhortation.

Given the magnitude of needed improvements in Japan's armed forces one should be skeptical of abandoning the "at least 1 percent" formulation unless whatever is substituted is sufficiently direct and explicit about the specific roles, missions and defense improvements which Japan should undertake.

Such references could include mention of the need for Japan to achieve the capabilities to defend the air and sea lines of communications out 1,000 miles from the home islands, or to achieve the defense improvement policy goals by the mid-1980's instead of later.

Since these roles and missions would cost the Japanese more than 1 percent of GNP annually, specifying them in the resolution instead of a particular GNP statistics, could have the same or greater effects, although care must be taken that this is the case before the "1 percent" reference is eliminated.

Absent an adequate substitute formulation, the "at least 1 percent" of GNP reference should not be eliminated because even an imperfect performance measure is better than none at all. All such measures suffer from some insufficiencies, but until improvements are possible, we should have some standard against which to measure Japan's performance and some established objective which it can be urged to achieve.

All these concerns can be addressed during the final drafting of Senate Concurrent Resolution 46, should the committee decide it wishes to move forward and mark it up for reporting it to the full Senate.

Senator HAYAKAWA. Our next panel of witnesses that we have with us this morning is a distinguished panel of experts, consisting of Adm. James L. Holloway III, formerly Chief of Naval Operations and now retired, who serves as president of the Council of American-Flag Ship Operators.

Admiral Holloway, good morning.

Admiral HOLLOWAY. Good morning, Mr. Chairman.

Senator HAYAKAWA. We also have Dr. Evelyn Colbert, former Deputy Assistant Secretary of State for East Asian and Pacific Affairs, and now teaching at the Foreign Service Institute. Dr. Colbert, good morning.

Ms. COLBERT. Good morning, Mr. Chairman.

Senator HAYAKAWA. Lastly, we have Dr. James Morley, Director of Columbia University's East Asia Institute. Dr. Morley, good morning.

Mr. MORLEY. Good morning, sir.

Senator HAYAKAWA. Admiral Holloway, would you care to begin?

STATEMENT OF ADM. JAMES L. HOLLOWAY III (U.S. NAVY, RETIRED), PRESIDENT, COUNCIL OF AMERICAN-FLAG SHIP OPERATORS, WASHINGTON, D.C.

Admiral HOLLOWAY. Thank you, Mr. Chairman. I do have a prepared statement that I request be included in the record and, with your permission, I would like to make some brief oral remarks.

Senator HAYAKAWA. Without objection, you may so proceed. Your full statement will be included in the record.

Admiral HOLLOWAY. Thank you, Mr. Chairman.

Mr. Chairman, I am Adm. J. L. Holloway III, U.S. Navy, retired. I am honored to be called upon to present my views on East-West relations, with a focus on the Pacific region. Today I am going to address my comments to our strategic relationship with Japan.

The United States is bound to Japan through a treaty of mutual cooperation and security. This alliance is of great importance to Japan. It provides them with the nuclear umbrella—in the absence of any nuclear weapons in their own armed forces—and it assures the defense of Japan in the absence of an adequate military capability of their own against their more powerful Asian neighbors. I think this point is very well understood.

What may not be quite as apparent is that Japan is also essential to the military strategy of the United States. The Japanese islands control to a great extent the access of the Soviet Union to the Pacific

Ocean. Major Soviet naval bases and their associated maritime airfields are located in the Vladivostok area on the Sea of Japan.

For Russian naval forces to sortie into the broad reaches of the Pacific from the Sea of Japan they must pass through three Japanese straits—Tsu-Shima, Tsugaru, and La Perouse. If these straits can be blocked or militarily denied to the Soviets, then the major part of the Soviet Pacific fleet can be effectively bottled up in the Sea of Japan.

Most scenarios dealing with a general war between the United States and the Soviet Union are cast in terms of a NATO-Warsaw Pact conflict, but the Soviet Union extends across the breadth of Asia and must be considered a Pacific power as well. Red military forces in the Eastern military districts of the U.S.S.R. are in continuing confrontation with elements of our own Pacific Command. Therefore, any NATO-Warsaw Pact conflict in Europe must at the same time become a United States-Russian war in the Pacific.

Both sides recognize this and the United States and the Soviet Union each maintain sizable naval military forces in this maritime theater. About half of the fighting strength of the U.S. Fleet is deployed in the Pacific. Our strategy for that theater is based upon preventing the widespread deployment of Soviet military forces into the vast expanses of the Pacific Ocean. This is essential to the Navy's task of protecting the main lines of communication across the Pacific and into the Indian Ocean.

The success of this strategic concept depends upon the ability of the United States and its allies to block the exits to the Sea of Japan and bottle up the Vladivostok-based Russian fleet units, and the utilization of Japanese air bases as a barrier against the movement of Soviet long-range aviation from their bases in the Vladivostok complex to the shipping lanes of the Pacific Ocean.

Senator HAYAKAWA. Admiral, if I may interrupt for a moment, Tsu-Shima is the strait between Korea and Japan, is it not?

Admiral HOLLOWAY. Yes, it is.

Senator HAYAKAWA. Where is Tsugaru?

Admiral HOLLOWAY. It is between Honshu and Hokkaido in the Japanese Archipelago. La Perouse is the strait between Hokkaido and Sakhalin, if my memory serves me correctly. If that is not correct, I will provide those details for the record.

Senator HAYAKAWA. Thank you. All they need is to bottle up the fleet in Vladivostok.

Admiral HOLLOWAY. Yes, sir, they would be contained in the Sea of Japan because those are the only exits in the Sea of Japan that are navigable by military warships.

Senator HAYAKAWA. I see. Thank you.

Admiral HOLLOWAY. But I would point out, Mr. Chairman, that not all Soviet naval bases are confined to the Vladivostok area or the Sea of Japan littoral. The Soviets do have another base complex at Petropavlovsk, located on the Kamchatka Peninsula on the shores of the Pacific Ocean, some 1,000 miles to the north.

However, the Petropavlovsk base complex is considerably less extensive than Vladivostok, and because Petro is located near the tip of a narrow, remote peninsula and must be supplied almost entirely by sea and airlift, it is not expected to replace or equal the logistic capabilities of the Sea of Japan bases. It is only with the assistance of the Japanese operating as a military ally that the straits exiting from the Sea of Japan can be effectively denied to the Soviets and Russian long-range aviation prevented from overflying the Japanese Archipelago.

Yet it is only by these means that the major strength of the Soviet Pacific military forces can be prevented from deploying against the United States in the Pacific or transiting to the Indian Ocean or reinforcing Soviet naval forces in the Atlantic.

It is this very special role in the general war plans of the United States, based upon the unique geographic position, that provides the most definitive military justification for a strong security relationship with Japan.

All of this leads me to believe that the treaty of mutual cooperation and security is highly advantageous to the United States, as well as to Japan. Its abrogation for any reason would result in a serious degrading of the defense posture of the United States.

Therefore, I urge caution that in any approach to the Japanese to increase their defense commitments we should avoid the implication of an ultimatum. To threaten the Japanese with our withdrawal from the mutual defense treaty unless their participation is increased to levels specified by the United States I believe could be deeply disadvantageous to us.

It could lead to a rethinking on the part of the Japanese of their alternatives to a mutual defense pact with the United States and could even justify, in their judgment, a severance of these ties and the adoption of a neutralist position in the Western Pacific and East Asia.

I do not think that this is just a remote possibility. During the late 1970's there was real concern in Japan over the usefulness of that treaty to the Japanese and mainly because of a perceived—and an accurately perceived—diminution of U.S. capability to carry out our side of the commitment.

When the Japanese read in the open U.S. press of a U.S. swing strategy that would move most of our Pacific fleet to the Atlantic in the event of a NATO-Warsaw Pact conflict because the United States no longer had a two-ocean navy, and when the Japanese heard U.S. military leaders testifying before Congress, those leaders questioned the ability of the United States to maintain the sea lines of communication west of Hawaii in view of the projected decline in U.S. naval strength.

And when the Japanese saw the Soviet military buildup in the northern islands, the occupied territories, the Japanese military leadership was seized with a certain amount of understandable apprehension. If the Japanese were to be drawn into a conflict with the Soviet Union as the result of a NATO-Warsaw Pact war in Europe, that was certainly bad enough.

But if the United States were to then abandon Japan either because it lacked the forces to provide the support to our Pacific allies or because our national policy was so NATO-oriented as to exclude any real concern for the Western Pacific, the Japanese would find themselves in a position of fighting the Soviet Union alone. And this is not a pleasant prospect for a nation that had already been battered into defeat and unconditional surrender within the memory of many living Japanese.

As a result of these Japanese concerns, they have subsequently been reassured of our intentions and our determination and our capability to provide the degree of military support which is entailed by this treaty of mutual defense.

In my judgment, it is of vital importance to our most fundamental security interests that the military importance of Japan to the United States be clearly recognized and the importance to the United States of the treaty of mutual cooperation and security be fully accepted. In this connection, I will say it is reassuring to see plans for improving the posture of our conventional war-fighting forces in the Pacific, mainly through the expansion of the U.S. Fleet to a 600-ship Navy,

This will, for the first time in many years, provide the capability to realistically commit ourselves to the support of our allies in the Western Pacific as well as in assuring an ability to protect our own and allied vital security interests in the Indian Ocean.

Finally, the current policy toward Japan appears to be one of discussing the defense cooperation in terms of roles and missions rather than arbitrary fiscal indices. This avoidance of public criticism of one of our most important allies will, in my view, do much toward enhancing the effectiveness of our treaty of mutual cooperation and security with Japan and contribute to our own strategic security interests in the Pacific and Indian Ocean theaters.

Thank you, Mr. Chairman.

[Admiral Holloway's prepared statement follows:]

Prepared Statement of Adm. James L. Holloway III

Mr. Chairman, members of the Committee, I am Admiral James L. Holloway III, U.S. Navy (Retired). I served as Chief of Naval Operations from 1974 to 1978, and as such was a member of the Joint Chiefs of Staff. I am honored Mr. Chairman, to be called upon to present my views on East West Relations with a focus on the Pacific region. During my naval career I was assigned to the U.S. Seventh Fleet in the Pacific in an operational status on seven occasions, spanning a period of more than 30 years, serving as a Destroyer Officer, a Carrier Fighter Pilot, and as Commander of the Seventh Fleet during the final years of the Vietnam War. During these three decades, the United States was engaged in combat operations in this region for almost half that period.

Today I am going to limit my prepared remarks to our strategic relationship with Japan. The United States is bound to Japan through a treaty of mutual cooperation and security. This alliance is of great importance to Japan. It provides them with the nuclear umbrella—in the absence of any nuclear weapons in their own armed forces—and it assures the defense of Japan in the absence of an adequate military capability of their own—against their more powerful Asian neighbors. I think this point is well understood.

What may not be quite as apparent, is that Japan is also essential to the national military strategy of the United States. This strategic value of Japan in our own security arrangements is the product of several sources: Obviously it is to our advantage to have the world's second largest economy with us, rather than not with us; and her position in the Pacific as a part of Asia makes Japan, for geographical reasons, of enormous importance to our most fundamental military strategic planning.

The Japanese islands control to a major extent the access of the Soviet Union to the Pacific Ocean. Major Soviet naval bases and their associated maritime airfields are located in the Vladivostok area on the Sea of Japan. For Russian naval forces to sortie into the broad reaches of the Pacific from the Sea of Japan they must pass through the three Japanese straits, Tsu-Shima, Tsugaru, and La Perouse. If these straits can be blocked or militarily denied to the Soviets, then the major part of the Soviet Pacific Fleet can be effectively bottled up in the Sea of Japan.

Most scenarios dealing with a general war between the United States and the Soviet Union are cast in terms of a NATO-Warsaw Pact conflict. In this context, the main military efforts foreseen for the Pact forces are the push across the central front in Germany, a thrust into the southern region, an outflanking maneuver around Norway, and a major naval campaign to interdict the lines of communication across the Atlantic. But the Soviet Union extends across the breadth of Asia, and must be considered a Pacific power as well. Red military forces in the eastern military districts of the U.S.S.R. are in continuing confrontation with military elements of our own Pacific Command. Therefore any NATO-Warsaw Pact conflict in Europe must at the same time become a United States-Russian war in the Pacific.

Both sides recognize this, and the United States and the Soviet Union each maintian sizeable naval military forces in that maritime theater. About half of the fighting strength of the U.S. Navy is deployed in the Pacific. Our strategy for the Pacific Theater in the circumstances of a general war with the Soviet Union is based upon the premise that if the Soviet Pacific fleet can be prevented from widespread deployment into the vast expanses of the Pacific, the Navy's task of protecting our base facilities and our essential lines of communication in the Pacific and Indian Ocean Theaters will be enormously simplified. The success of this strategic concept depends to a large degree on the ability of the United States and its allies to block the exits to the Sea of Japan and bottle up the Vladivostok based Russian fleet units; and the utilization of Japanese air bases as a barrier against the movement of Soviet long range aircraft from their bases in the Vladivostok complex to the shipping lanes of the Pacific Ocean.

It is true that not all Soviet naval bases are confined to the Vladivostok area or the Sea of Japan littoral. The Soviets have a secondary base complex at Petropavlovsk, located on the Kamchatka peninsula on the shores of the Pacific Ocean, some thousand miles to the north. However, the Peptropavlovsk base complex is considerably less extensive than Vladivostok, and because Petro is located near the tip of a narrow remote peninsula, and must be supplied almost entirely by sea and airlift, it is not expected to replace or equal the logistic capabilities of the Sea of Japan bases. At the present time, the major portion of the Soviet fleet operates from bases in the Sea of Japan, predominantly those units which would be employed in conventional conflict with the United States.

It is only with the assistance of the Japanese, operating as a military ally, that the Japanese straits can be effectively denied to the Soviets, and Russian long range aviation prevented from overflying the Japanese archipelago. Yet it is only by these means that the major strength of the Soviet Pacific military forces can be prevented from deploying against the United States in the Pacific, or transiting to the Indian Ocean, or reinforcing Soviet naval forces in the Atlantic. Without Japanese bases and the active cooperation of the Japanese, the use of the Vladivostok facilities as a base for extensive operations of the Soviet maritime forces into the Pacific Ocean cannot be effectively denied.

It is this very special role in the general war plans of the United States, based upon the unique geographic position of Japan and Russia's main Pacific naval base, that provides the most definitive military justification for a strong security relationship with Japan.

All of this leads me to believe that the treaty of mutual cooperation and security is highly advantageous to the United States as well as Japan. Its abrogation for any reason, would result in a serious degrading of the defense posture of both countries. This must be kept fully in mind in our dealings with the Japanese concerning their contributions to the mutual defense efforts.

I do not mean to imply that the Japanese should get a "free ride." I don't think that has ever been intended by the United States and I don't think the Japanese have ever expected it. I am simply urging caution, that in any approach to the Japanese to increase their defense commitments, we should avoid any implication of an ultimatum. To threaten the Japanese with abrogation of our mutual defense treaty unless their participation in our mutual defense arrangements is increased to levels specified by the United States, could be deeply disadvantageous to the United States. It could lead to a complete rethinking on the part of the Japanese, of the alternatives to a mutual defense pact with the United States, and justify in their judgment a severance of these ties and the adoption of a neutralist position in the Western Pacific and East Asia.

I do not think that this is a remote possibility. During the late 1970's there was a real concern in Japan over the usefulness of the treaty to Japan—mainly because of a perceived dimunition of the U.S. capability to carry out our side of the commitment. When the Japanese read in the open U.S. press of a swing strategy that would move most of the Pacific Fleet to the Atlantic in the event of a NATO-Warsaw Pact conflict, because the United States no longer had a two-ocean Navy; when they heard U.S. military leaders, testifying before the Congress, question the ability of the United States to maintain the sea lines of communication west of Hawaii in view of the projected decline in U.S. naval strength; and when they saw the Soviet military build-up in the northern islands, the Japanese military leadership was seized with a certain amount of understandable apprehension. If the Japanese were to be drawn into a conflict with the Soviet Union as the result of a NATO-Warsaw Pact war in Europe, that was bad enough. But if the United States were to abandon Japan, either because it lacked the forces to provide the support to our Pacific allies, or because our national policy were so NATO oriented as to exclude any real concern for the Western Pacific, the Japanese would find themselves in a position of fighting the Soviet Union alone. This was not a pleasant prospect for a nation that had already been battered into defeat and unconditional surrender within the memory of living Japanese.

It was as a result of these Japanese concerns over the ability of the United States to honor its defense commitments to Japan, that subsequently the Japanese have been reassured of our intentions, our determination, and our capability to provide the degree of military support entailed by our treaty of mutual defense.

In my judgment, the military importance of Japan has now been clearly recognized and the importance to the United States of the Treaty of Mutual Cooperation and Security fully accepted. Furthermore, the defense plans of this Administration include as one of the objectives of the military build up, improving the posture of our conventional warfighting forces in the Pacific, mainly through the expansion of the U.S. fleet to a 600 ship Navy. This will for the first time in many years provide more than a one-ocean Navy, and give us the capability to realistically commit ourselves to the support of our allies in the Western Pacific, as well as assuring an ability to protect our own and allied vital interests in the Indian Ocean.

Finally, the policy of this Administration toward Japan, appears to be one of discussing defense cooperation in terms of roles and missions, rather than arbitrary fiscal indices. The avoidance of public criticism of one of our most important allies, will in my view, do much toward enhancing the effectiveness of our Treaty of Mutual Cooperation and Security with Japan.

Senator HAYAKAWA. Thank you, Admiral Holloway. Dr. Colbert, would you care to proceed now?

STATEMENT OF EVELYN COLBERT, FORMER DEPUTY ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS, VISITING LECTURER, FOREIGN SERVICE INSTITUTE, ARLINGTON, VA.

Mrs. COLBERT. Mr. Chairman, I welcome the opportunity to speak today on the ANZUS alliance, particularly because in my last position in the Department of State as Deputy Assistant Secretary I had particular responsibility for our relations with those two countries.

I have a prepared statement that I would ask be included in the record, but I would like to say a few words.

Senator HAYAKAWA. Your complete statement will be included in the record.

Mrs. COLBERT. Thank you.

The first thing I would like to say is that in my mind the ANZUS alliance is more important today to the United States, as well as to Australia and New Zealand, than it has ever been before in its 30-year history. Australia and New Zealand make very valuable contributions to the importance and effectiveness of this alliance and hence to Pacific security.

Their roles are the more impressive when one considers that the two countries are located far from centers of global power and conflict and are, in fact, in many respects small countries. New Zealand is about the size of Colorado, and has a population of only 3 million. That is not very much more than Singapore. Australia, to be sure, is a very big continent, but its population is only 20 million, roughly twice that of little Belgium.

ANZUS, as a security treaty, is the southern pillar of our Pacific defense structure, but, more broadly, ANZUS stands for an extraordinarily intimate, sympathetic and wide-ranging relationship and a whole complex of cooperative or mutually supportive activities in a very wide range of fields.

Now a large proportion of these activities are devoted to strengthening what the ANZUS treaty calls "the fabric of peace in the Pacific area." But we should note in passing that the constructive roles of Australia and New Zealand extend well beyond East Asia and the Pacific. Their participation in the Sinai multinational force is only the most recent example of their contributions over the years to efforts to resolve international problems.

ANZUS does not entail formal military structures of the NATO variety, but it does entail a wide range of continuing military relationships. The three armed forces cooperate in such things as joint exercises, personnel exchange, intelligence collection and exchange, research, and efforts to standardize operating doctrine and equipment. Both countries procure a considerable share of their military equipment from the United States

Australia's 5-year defense program, adopted in 1980, projects for that period over $2.5 billion in procurement, mostly from the United States. Australia is also the site of joint bases of the highest strategic importance having to do with surveillance and communications. It provides facilities for B–52 training flights. It contributes to the American capability to conduct air surveillance over the Indian Ocean by providing staging and refueling facilities.

Australia, with its long Indian Ocean coastline, has also increased its own activities in that area since the Soviet invasion of Afghanistan. It has increased its air and naval patrolling. It is building important new military facilities in western Australia and it has offered to home port a U.S. carrier task force at a naval base now being enlarged in western Australia.

In the Southwest Pacific, New Zealand and Australia have long taken the lead in contributing to the well-being and political advancement of the small island countries and to the stability and security of the vast ocean region in which they lie. The two countries joined with an increasing number of independent island countries in the establishment of the South Pacific Forum, an important vehicle for regional cooperation.

The two countries together are the region's largest foreign aid donors and source of experts and training. Australia and New Zealand also provide military assistance and training to those few island countries that maintain military establishments.

The two countries also play an important and constructive role in Southeast Asia. Like the United States, Australia and New Zealand have made support for ASEAN the central element in their regional policy. They provide significant economic and military assistance to the ASEAN countries.

Among the ASEAN countries Australia and New Zealand have particularly close ties with Malasia and Singapore. They are linked with Malaysia and Singapore in the Five-Power Defense Arrangements which also includes Britain. Under the Five-Power Defense Arrangements they maintain small forces in Malaysia and Singapore, provide military training and assistance, conduct air surveillance, and engage in joint exercises. Australia and New Zealand also, like the United States, have a security commitment to Thailand under the Manila Pact.

The two countries have played a major part in regard to Indochina refugee and relief programs. Australia, in fact, has resettled more Indochinese refugees per capita than any other country. New Zealand, in terms of its small population, has also been generous, both in its resettlement policies and in its contribution to the concerned international agencies.

Thank you, Mr. Chairman.

[Mrs. Colbert's prepared statement follows:]

Prepared Statement of Evelyn Colbert

Mr. Chairman, Members of the Committee, I am delighted to have the opportunity today to talk about the contribution our ANZUS allies are making to stability, security, and well-being in the Asia/Pacific region and in other areas of importance to the democratic world.

First let me say that to the United States, as well as to Australia and New Zealand, the ANZUS alliance is more important today than ever before. As is well-known to the members of this Committee, the Asia/Pacific region has become an area of remarkable economic dynamism while political ties among the countries of the region have become stronger and more numerous. A region that not many years ago seemed to be among the world's more crisis-ridden has become one of the world's more stable; its importance, already considerable, is clearly growing. At the same time, however, the situation in Indochina remains a source of tension, the growth of Soviet military power in the region gives reason for concern, and there are other potential sources of instability and conflict. The United States can no longer regard its own capabilities—whether military or economic—as completely adequate to fulfill any requirements that may arise in areas of strategic importance to us. More than ever before we must rely on cooperation with like-minded friends to ensure the protection of our East Asian/Pacific interests. As a relationship among such like-minded friends, ANZUS today is in excellent shape.

Much has changed since the ANZUS treaty entered into force just thirty years ago, formalizing a relationship that originated much earlier, in the opening days of the Pacific War. By 1952, it was clear that Australia and New Zealand could no longer look upon themselves primarily as distant outposts of Britain. But how their role in the world and especially in their own region would develop remained quite uncertain. In 1952 also, there could be no doubt that henceforth, as during the Pacific hostilities, the relationship with the United States would constitute the central element of Australian and New Zealand security policy. But it remained uncertain how and to what degree the three powers would work together in pursuing the ANZUS treaty aim of strengthening "the fabric of peace in the Pacific Area."

Today, Australia and New Zealand are well-established and important members of the Asia-Pacific community of independent states. In the vast Southwest Pacific area—home to eleven independent or self-governing island states, as well as to American Samoa, Guam, and the Trust Territory—strong Australian and New Zealand support for national development and regional cooperation has made a significant contribution to stability and progress. Similarly, the support the two countries have provided to ASEAN and its members has been an important adjunct to the work of that organization in promoting peace, stability, and economic development in Southeast Asia. Economic relations with Japan are increasingly important to all three countries; Australia, whose sizeable trade surplus with Japan balances its large deficit with the United States, supplies Japan on average with over half the iron, aluminum, nickel, tin, copper, lead, and asbestos that its industry consumes. And while trade, as elsewhere, has not been friction-free, the closer economic relationship with Japan has nevertheless stimulated and reinforced closer political ties and cooperation in regional affairs.

Nor are Australian and New Zealand contributions confined to the Asia/Pacific region. To be sure our ANZUS allies are located in an area that seems remote from world centers of power and tension. Their ability to project power is limited not only by their geography but also by their small populations. Neither country, however, has relied on these factors to justify passivity or isolationism. In the North-South relationship, they have recognized the opportunities to play a bridging role that are provided by their special characteristics: they are western powers but not great powers; they are culturally European but located in Asia; they are economically advanced but dependent on exporting primary products. I will cite only the most recent example of the readiness with which Australia and New Zealand assume international responsibilities—the participation of their joint helicopter unit in the Sinai Multinational Force despite concern that this might damage their growing trade with Arab nations.

The ANZUS relationship has evolved in parallel with the evolution of Australian and New Zealand participation in East Asia/Pacific and global affairs. As a defense relationship, ANZUS now forms the southern anchor of a Pacific security system based in the north on the United States-Japan relationship and encompassing, without formal links, the bilateral United States-Philippine relationship and the multilateral Manila Treaty and Five Power Defense Arrangements. Beyond the confines of the security relationship but falling within the bounds of the broader ANZUS partnership are the many programs and policies the three countries pursue. Sometimes these programs are pursued jointly, like the South Pacific oceanographic survey now under way for which the United States has provided the ships while all three countries have provided funds and personnel. Others, pursued independently, are mutually supportive and serve our common interests.

Let me turn now to more detailed discussion of those areas where the roles of Australia and New Zealand are of particular importance to the United States: in defense cooperation, *per se*; in the Southwest Pacific, and in Southeast Asia.

DEFENSE COOPERATION

Australia, with a population of 20 million, maintains an armed force of 72,500. The 1982–3 defense budget of $4.4 billion[1] represents about 2.9 percent of GDP. The 5-year defense modernization program, adopted in 1980, calls for defense expenditures to increase by 7 percent in real terms annually and projects over $500 million annually for equipment procurement, largely from the United States.[2] Although shortfalls in government revenues have somewhat slowed the pace of planned procurement, continued implementation of this ambitious program will provide Australia with a very potent, modern force by regional standards.

With a population of 3 million, New Zealand maintains a defense force of about 13,000. The defense budget for the fiscal year ending in mid-March 1982 amounted to $555,470,000 or 1.6 percent of GDP. New Zealand lacks domestic capability for manufacturing defense items; a substantial proportion of its external procurement is from the United States.

Australia is the site of a number of strategically important joint bases including a naval communications station at Northwest Cape, a space research facility at Pine Gap, and a space communications station at Nurrangar. More recently Australia has provided facilities for U.S. B–52 training flights over Queensland. New Zealand provides a staging and supply base in Christchurch for U.S. exploration and scientific activities in Antarctica.

The Government of Australia is very conscious of the strategic significance of the country's long Indian Ocean coastline and of Western Australia's increasing importance as a major world source of mineral and energy resources. It has substantially increased its air and naval patrolling in the Indian Ocean and provided staging facilities at Darwin for U.S. B–52 surveillance flights. Australia also makes refueling facilities available at Cocos Island for American planes en route from the Philippines to reconnaissance missions over the Indian Ocean. A new base for the Australian air force is under construction in Western Australia as are facilities for amphibious exercises. Improvements now being made to the naval base, HMAS Stirling, near Perth are expected to permit Australian naval vessels, which must now go to Melbourne or Sidney for refitting, to homeport in Western Australia by 1986. Prime Minister Fraser has also offered to homeport a U.S. carrier task group there.

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[1] Except where otherwise specified, amounts are in Australian or New Zealand dollars as appropriate.

[2] Items include 75 F/A–18 fighters, 10 P–3C Orion reconnaissance planes, a guided missile frigate, and about 2,000 trucks.

ANZUS does not maintain joint military command arrangements of the NATO variety. However, the armed forces of the three countries cooperate closely in a wide range of single-service and combined exercises (of which the annual RIMPAC also involves Canadian and Japanese forces), regularly exchange personnel, cooperate in intelligence collection and exchange, conduct joint research activities, and consult on standardization of equipment and operating doctrine. American ship visits to the two countries provide useful opportunities for joint naval exercises as well as for shore leave in exceptionally hospitable surroundings. In the 12 months ending in April 1982, 65 American ships and 48,000 American servicemen visited Australla.

The Southwest Pacific

The United States relies on Australia and New Zealand to play the leading role in supporting the progress, stability, and security of the independent and self-governing Pacific island countries. Location, traditional ties of interest and friendship, common membership in the Commonwealth, and their middle power status all make the roles of our ANZUS allies uniquely acceptable to the island neighbors with whom they are associated in the Pacific Forum.

In 1947, when this vast area was still under western colonial rule, it was an Australian/New Zealand initiative that resulted in the establishment of the South Pacific Commission to promote the economic and social welfare of the island peoples. More recently, Australia and New Zealand were among the founding members of the South Pacific Forum, an organization that over the past ten years has provided the independent and self-governing states of Oceania with an important consultative and policy-making mechanism.

The two countries together are the region's largest foreign aid donors. Of Australia's $662.3 million ODA budget for 1981–1982[3] (an increase of almost 20 percent over the previous year), $327 million was allocated to the South Pacific. Papua New Guinea, Australia's former dependency, received the largest share, $254 million, most of it in an untied budget grant. Of New Zealand's $65.75 million ODA in 1982 (0.32 percent of GNP), about 65 percent was provided to the South Pacific. Australia and New Zealand together contribute almost half of the South Pacific Commission budget (approximately US$2 million of the US$4½ million total); their combined contribution to the South Pacific Bureau for Economic Cooperation (SPEC, the Forum's Secretariat and economic organization) came to almost $1 million in 1981–1982, and together they contributed $4 million to regional projects including the Pacific Forum Shipping Line. Australians and New Zealanders predominate among the foreign experts working in Pacific Island government agencies, economic enterprises, educational institutions and regional organizations and many islanders have received their higher education in the two countries.

Australia and New Zealand are the source of military training and assistance to those few island countries maintaining military establishments. In 1981–82, Australian military assistance to Papua New Guinea amounted to $14.9 million; other Forum countries received about $2.5 million in Australian military assistance. New Zealand provides military training for PNG military personnel as well as for members of the Tonga Defense Services and the Fiji Military Force; the latter frequently exercises with elements of the New Zealand armed forces. New Zealand army engineers are engaged in development work in the Solomons and Tonga as are members of its Medical Corps in Fiji.

SOUTHEAST ASIA

Geography makes Southeast Asia, like the Southwest Pacific, an area of high priority for Australia and New Zealand. Australia pioneered in the development of the Colombo Plan; both countries provided support for the British campaign against the Communist insurgents during the Emergency in Malaya and for Malaysia's defense against Indonesia's Konfrontasi campaign; both also joined the United States in fighting in Vietnam—the only non-Asian countries to do so.

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[3] 0.45 percent of GNP, below the U.N. target of 0.7 percent but above the DAC average of 0.37 percent.

The political and material assistance provided by Australia and New Zealand to ASEAN and its members has made an important contribution to stability and growth in Southeast Asia. Like American Secretaries of State, their Australian and New Zealand counterparts have regularly attended the ASEAN Expanded Foreign Ministers' Meetings. The two countries have generally supported ASEAN positions on Indochina in the United Nations, although, in the 1981 General Assembly, Australia abstained on the resolution seating Pol Pot as the representative of Kampuchea.

In 1974, Australia was the first of the advanced countries to establish a formal relationship with ASEAN; the New Zealand-ASEAN relationship was established in 1975. Australia has committed $250 million to a multiyear ASEAN-Australian Economic Cooperative Program; New Zealand $50 million to its similar joint program with ASEAN. In addition, Australian bilateral aid to the ASEAN countries in 1981–1982 was budgeted at $308 million; New Zealand bilateral aid to ASEAN countries in 1979–80 amounted to more than $8 million.

Both countries have ranked disproportionately high among contributors to international programs for the relief of Indochinese victims of war and oppression. From the fall of Saigon to September 1981, Australia resettled nearly 57,000 Indochinese refugees, the highest per capita rate of any country in the world, and contributed $25 million to the UNHCR. From 1979 to May 1981, Australia had also contributed $20 million to the international Kampuchean relief program; $1.1 million was earmarked for the 1982 fiscal year.

By November 1980, New Zealand had resettled almost 4,000 Indochinese refugees and planned to resettle an additional 1,000 by the end of June 1982. The New Zealand government had contributed $550,000 to the Kampuchean relief effort as of May 1980; private New Zealand contributions at that time amounted to more than $2 million.

Australia and New Zealand maintain security links with Malaysia and Singapore under the Five Power Defense Arrangements (to which Britain is also a party) under which they participate in a joint air defense system for the Malay peninsula and engage in a wide variety of exercises and joint training activity. One of New Zealand's two infantry battalions is stationed in Singapore together with a helicopter unit. Australia maintains reconnaissance aircraft in Singapore and a fighter squadron in Malaysia. Its aircraft regularly and frequently patrol over the Malacca Straits area and the South China Sea. In addition, Australian military assistance to Malaysia and Singapore in 1980–1981 amounted to about $5 million; to Indonesia (the largest recipient after PNG) and the other two ASEAN partners almost $14 million.

Senator HAYAKAWA. Thank you, Dr. Colbert.

May we now hear from you, Mr. Morley?

STATEMENT OF JAMES W. MORLEY, DIRECTOR, EAST ASIA INSTITUTE, COLUMBIA UNIVERSITY, NEW YORK, N.Y.

Mr. MORLEY. Thank you, Mr. Chairman.

I appreciate being invited this morning because this is a time of tension in the security relationship between the United States and Japan caused by the expansion of Soviet power and the deep concern of a number of Americans, particularly here in Washington, that the Japanese may not in fact be responding effectively.

I believe that some of the stronger measures proposed to try to force Japanese action are misguided on two grounds.

First of all, they seemed to be based on an assumption that the Japanese are naive about the Russians. We should recall that Japan has been bracing itself for more than a century against the Russian expansion to the east. It has fought two wars against the Russians—one against Imperial Russia and one against the Soviet Union. It is obviously in a frontline position, and the Japanese people know it.

The seriousness with which the Japanese view the Soviet Union is reflected in their views on the relative threats that they face. The latest public opinion poll this spring shows that more than half believe the security of their country is threatened and two-thirds of them believe that the principal threat is from the Soviet Union. We do not need to explain to the Japanese how concerned they should be.

Second, the recommended pressure tactics seem to be based on a misapprehension that Japan is still pursuing the kind of policy which it adopted in the 1950's, 1960's and early 1970's; that is, one which is basically reactive, passive, noninvolved with the world and isolationist, much as ours was in the 1930's. The truth is, since the sixties and early seventies, the Japanese Government have been executing a fundamental shift to a policy that is more active, positive, and engaged.

It is responding, I believe, to three basic changes in the balance of forces as the Japanese perceive them. First of all is their apprehension of Soviet power, which began to increase with the formidable strengthening of Soviet forces on the Chinese border in 1969. I will not detail the other Soviet developments since then because I am sure, Senator, you and the members of your committee are very familiar with them.

But it is important to understand that the Japanese have not necessarily viewed them in exactly the same way that many Americans have. Some Japanese are inclined to the view that the building of the new BAM railway and extensive planning for the development of Siberia indicate that the Soviet Union intends to shift its center of gravity eastward and become a great commercial power in the Asia-Pacific region. It may be, therefore, building its power defensively to protect that future.

Others in Japan argue that the purpose of these forces is not so much to protect the Soviet Union's commercial future as it is to make up for its economic, cultural, and technological weaknesses in the present. In fact, those holding this view take very seriously the Soviet desire to become a global power at least equal to the United States in all parts of the world, and they believe that in lieu of other assets the Soviets are determined to stake their claims in the Asia-Pacific region on the strength of their military forces. These fears have been greatly expanded since 1978.

Second, since the mid-1960's, when the Japanese economy came into its own, the Japanese have begun to feel their oats. A new confidence is flooding the Japanese psyche. It brings with it a new willingness to accept—or, perhaps one should better say, an eagerness to confirm—the long-held view of outsiders that in its economy Japan is a superpower and, as such, it should leave the passenger seats and take its stand with others at the throttle of world affairs. I believe there are no Japanese now who doubt that their government should carve out for itself a new role in world affairs.

Third and I think this is very important for us Americans to understand, the American prestige balloon has finally been pricked. The social turmoil in this country in the 1960's led many Japanese to question then, often for the first time in the postwar period, whether American society was really the model they wished to follow. Our failure in more recent years to manage our economy and keep our productive edge has convinced other Japanese that in economics as well the United States is slipping.

The same sentiment has also begun to take hold in the military field. In the late 1960's and early 1970's, the Vietnam war shocked the Japanese. Some felt the United States showed bad judgment in entering it. Others felt that once having entered it, the United States showed extraordinary weakness in losing it.

The Guam doctrine in 1969, the repatriation of a division from Korea in 1972, the ignominious withdrawal from Saigon—all of these persuaded additional Japanese that the United States was in fact a wounded tiger.

It was against this backdrop of impressions—that the United States was engaged in some kind of historical withdrawal from the Asia Pacific region that the Japanese read the failure of the United States to keep pace with the military spending of the Soviet Union over the past decade, its inability to maintain deployments in the western Pacific when demands in the Persian Gulf were high, and the slide in its nuclear position from one of superiority over the Soviet Union to one of parity and now, the President tells us, inferiority.

The Japanese have not drawn the conclusion that the balance of power has yet shifted in their own area or the wider Asia Pacific region, or at least not irretrievably. But they do believe that American power in the world is in relative decline. This makes the availability of American power for the defense of Japan and its interests increasingly problematic in the years ahead. It is hardly surprising that Japanese polls for some time have shown a substantial portion of the population does not believe that the United States will come to their defense in an emergency.

It is these perceptions of a growing Soviet threat, the declining American capability and a strengthening consensus in Japan to act that are, I believe, now shaping a new Japanese response to the Soviet challenge, and it takes three forms.

One is to increase the efficacy of the Japanese military buildup. Its growth rate this year is 4 percent in real terms, which is higher than most of our NATO allies. The present push did not begin with the invasion of Afghanistan or the intensified pressure from the American Government in the Carter or the Reagan administrations. It began as long ago as 1976 in the apprehension of gradual American withdrawal following the Vietnam debacle.

A second is to admit a new diplomatic stance. Japan has gone ahead with a peace treaty with China in 1978 in spite of Soviet objections. It has affirmed a more open affiliation with the industrialized democracies of the West while still exploring closer ties with her Third World neighbors to the south.

Third, it is taking steps to secure a stronger American commitment to Japan's defense and make better use of it. The effort began in 1975 with the agreement to establish a Joint Subcommittee on Defense Cooperation. It was extended dramatically in 1978 with a joint agreement on guidelines under which Japan agreed for the first time to join with the United States in planning combat operations in which Japan would engage defensively with the United States.

In return, Japan secured from the United States, also for the first time, the promise to maintain nuclear deterrence, deploy its forces forward, and retain support strength. Since then, concrete planning has gone forward, reaching the stage now of considering possible cooperative action in the case of situations in the Far East, even outside of Japan.

Now there are two ways you can look at these developments. You can take a short-range point of view and say we do not look back on what the Japanese used to do. We do not look forward and say what direction they are headed in. We just look at them today, compare them with the U.S. effort and say it is inadequate and we need a quick fix.

There are a number of such quick fixes that have been offered. I believe they will not work, but let me just tick off a few, and I would start with the one represented, with due respect, by Senator Levin this morning—the proposal that this Congress pass a resolution explaining its support for more than 1 percent of Japanese GNP for their defense effort.

I believe it is not a useful direction to go. One, it is not necessary. The present Japanese Defense Agency proposal for the next rolling 5-year midterm planning, which is being advanced within the Japanese Government this spring, calls for expenditures next year over 1 percent. That has not yet been approved by the National Defense Council and, therefore, taken up by the Premier directly, but it is in the works. Moreover, the 1-percent figure is allusive. If Japanese defense expenditures were counted as those for NATO are counted, that is, including military retirement benefits, they have been over 1 percent for some time.

Two, I think it could be damaging. It is an arrogant act for one government to tell another how it should spend its money. I am not sure how we would respond if the Japanese Government or Japanese Parliament legislated for us a resolution of how much we should be spending on our defense.

It can, in fact, leave very negative consequences because it may suggest to the Japanese people that as the Japanese Government moves forward in this matter, it is doing so under duress from the United States, thereby appearing to be a toady of this Government and not an independent action.

I think, finally, it would be ineffective. If you look at the direction of Japanese defense spending since the 1950's, there have been years in which the U.S. Government has belabored Japan heavily and there have been other years in which the U.S. Government has been silent. Whether we have exerted pressure or withheld pressure, the Japanese have basically gone about their defense planning according to their own lights. They have shown themselves to be relatively impervious to the jawboning of the Congress.

Let me comment more briefly on several other quick fixes. Some Americans have suggested a renegotiation of the security treaty. This would hardly be effective at the present time. The majority of the Japanese people do not want such a renegotation. It would seriously divide the body politic there and create such a polarization that it would weaken the stability we require. Others have advocated a military pullout. Obviously that hurts us more than the Japanese since we would lose the use of the bases we require.

Others have asked, shouldn't we turn more to China and give up our concerns about Japan. I would like to spend just a minute or two on that, if I may, Senator, because I think we must show what we are doing in regard to both China and Japan.

Senator Hayakawa. Please do.

Mr. Morley. We must realize, first of all, that the Chinese connection is risker than the relationship with Japan. The internal political stability of China and its economic prospects are quite uncertain. So is the future orientation of its foreign policy, particularly if it were to gain substantial strength.

Its social structure and value system remains fundamentally antithetical to our own. The revolution of the Third World which it seeks to lead stems from a different world view from our own and our friends in the Asia Pacific region, at least, have longer memories and stronger apprehensions than our own of the inexorable pressures which powerful Chinese regimes are inclined to exert on their smaller neighbors.

Second, Senator, it seems to me that we do not have here an either/or situation. The roles Japan plays in our security posture, which Admiral Holloway has already detailed, are unique. They offer us facilities for the deployment of our forces in the Far East and provide decisive human and economic resources to our side of the world balance. There are no Chinese substitutes.

The roles China plays, restraining its own ambitions on its borders and pinning down the Soviet vast land forces in Asia are roles which no one else can play and there are no substitutes. If we are realistic, we will value highly China's strategic cooperation. We will seek to develop it cautiously, but we should make no mistake that it ever has or at least in the foreseeable future ever can replace a vital Japanese connection.

The China tie is unquestionably desireable if it can be managed. The Japanese tie is essential and must be managed. We should have learned that in 1941.

I think, therefore, that it would be most helpful if this committee took a longer-range point of view, recognizing that the Japanese are not naive about the Soviet Union—they have their own views on it, but they take it very seriously; that in their security policy they are moving in a healthy direction which we can work with; and that once the direction is set, the Japanese can move very rapidly. If they should decide on a large military development, they could be a major world power within the decade. They could be more than that by the end of this century. It is extremely important, I think, therefore, that we keep our minds fastened on the direction Japan is going and not on its speed.

That direction now is healthy and we should do all we can to try to encourage it, which means we should refrain from trying to vent our spleen on it, to scapegoat Japan because we have not done well economically, or because we have not lived up to some of our defense requirements.

We should also raise the priority of this vast region, as Senators Levin and Roth urged this morning. It is one of the most vital regions to us in the world and we need, therefore, a defense commitment to it that treats it as more than as a reserve area for the Persian Gulf.

Thank you, Senator.

[Mr. Morley's prepared statement follows:]

PREPARED STATEMENT OF PROF. JAMES W. MORLEY

Mr. Chairman and Members of the Committee:

Thank you for inviting me here today. I have been asked to submit my views on the response of Japan to the Soviet challenge in the Asia-Pacific region as well as to comment briefly on the role of China in the region's future. I am happy to do so because I am concerned that we may be undervaluing the importance of this region to the United States.

THE ASIA-PACIFIC REGION AND THE SOVIET CHALLENGE

As you well know, the health and openness of the economic life of the countries in Asia and the Pacific are absolutely vital to the American economy. In the South are our old friends, Australia and New Zealand, whose food and raw materials are moving briskly to their northern neighbors. Above them are the newly industrializing states of South Korea, Taiwan and the five members of ASEAN—states whose market economies are registering growth rates of unprecedented vigor. In the West is China, the most populous nation in the world, now stirring to liberate itself from the rigidities of Maoism. And in the Northeast is Japan, its gigantic economy, surpassed only by our own, serving as the hub, providing the bulk of the trade and external capital for every state in the region. Small wonder that this region has become our most dynamic economic frontier and Japan, our principal and indispensable trading partner.

The Asia-Pacific region is vital also to our security. One can easily imagine what would happen if the human resources and economic productivity of this region or any major part of it were harnessed to the purposes of a Power or Powers unfriendly to the United States. We have in fact fought three major wars against Japan, North Korea and China, and Vietnam to try to prevent exactly that; and for the same reason we have sustained a costly confrontation with the Soviet Union and its Allies in Asia and the Pacific as we have in all parts of the world for more than a generation.

Japan too has been engaged in that confrontation. Indeed Japan has looked with apprehension on the Russian expansion to the East ever since the arrival of Admiral Putiatin on its shores in 1855 and the annexation by Russia of the Maritime Province across the Sea of Japan in 1860. It fought a war with Russia in 1904–5 and joined the United States and other Allies in an expedition into Siberia in 1918 to drive Moscow's power back from the opposing shores. In fact its own expansion into Korea, Mongolia and China was in part motivated by the desire to try to block the Soviets from further penetration of the Asia-Pacific region. The Soviet entry in the late stages of the Pacific War in violation of the Neutrality Pact, its seizure as spoils of war of the northern territories—not only of the southern half of Sakhalin and the northern Kurile Islands which once were Russian territory, but also the southern islands in the Kurile chain, Etorofu and Kunashiri, together with Shikotan and the Habomai Islands off Hokkaido, islands which the Japanese have always insisted are indigenously part of the Japanese homeland, have added a new layer of bitterness to Japanese attitudes.

These historical sentiments have been intensified since 1952 by the refusal of the Soviet Union to return even the southernmost of these territories and the recent stationing thereon of a Soviet division, apparently to emphasize the non-negotiable and indeed potentially threatening nature of the Soviet presence. This extension of Soviet military power to within visual range of Japanese territory has been accompanied by the seizure of Japanese fishermen who have refused to be excluded from their former northern fishing grounds, and represents but a small part of the powerful Soviet forces poised in the Asia-Pacific region. Since 1969 when war with China threatened, the Soviet Union has deployed roughly one-quarter of its ground forces, one-third of its air forces and one-third of its naval power in this region. In the vicinity of Japan Soviet military power is real, massive and growing; and along the sealanes, so vital to Japanese commerce, the Soviet Pacific Fleet has an increasing capability for serious disruption.

JAPAN'S EARLIER PASSIVE RESPONSE

Over the past thirty or so years many American observers have assumed that Japan would inevitably respond to this challenge with a correspondingly massive military build-up. Many American officials from John Foster Dulles to Secretary Weinberger have urged it to do so. But in the early post-war years Japan marched to a different drummer. In the fifties, sixties and early seventies, it preferred to follow a "peace diplomacy"—in our current vocabulary a diplomacy of detente, relying almost completely on the United States for its military defense.

It conceded no vital interests to the Soviet Union. When it negotiated a resumption of diplomatic relations in 1956, it postponed a true peace treaty rather than give up its claims to the Northern Territories. But until the Soviet invasion of Afganistan in 1978 it tried to melt Soviet pressure by generally turning toward it a smiling face. It encouraged trade, explored possibilities of profitable investment in Siberia and exchanged visits on private and governmental levels. From 1972 to 1978 it maintained the same kind of friendly, but cool relations with the People's Republic of China—its was called a policy of "equidistance" so that its growing contacts with China would not alarm the USSR.

This was of course part of an overall non-confrontational foreign policy stance known popularly in Japan as "peace diplomacy," characterized by being friendly to all nations, threatening to none. The basic assumption was that the less threatening Japan is to others, including the Soviet Union, the less incentive such other states will have to take up arms against it and the more incentive they will have to open their resources, their markets, their technologies, their capital and their investment opportunities to the ever-growing need of Japan's burgeoning economy.

Consistently with this policy, Japan devoted an unusually modest amount of its resources to rebuilding the armed forces smashed in the final days of the Pacific War—at first slightly under 2 percent of the GNP and since the mid-sixties even less than 1 percent. The amount varied sligbtly, not with annually reassessed defense needs—the forces raised were recognized as completely inadequate to defend Japan against any conceivable, sustained, even conventional attack and had no capability whatsoever for nuclear deterrence. Rather annual budgets were set on the basis of precedent, the amount lowered on occasion to accommodate fiscal stringency and raised slightly on other occasions to accommodate U.S. Government pressure. But the modifications were slight, for the fundamental, long-term policy of peace diplomacy, supported by an unambiguous, historically unusual de-emphasis on armed force, was widely supported by the Japanese people.

The resort to war as an instrument for settling international disputes was deeply discredited by the defeat in the Pacific War and is in fact banned in the famous Article IX of the Japanese Constitution. So is the raising of armed forces, under Government interpretation, for any purposes other than strictly the defense of Japan itself. The Self-Defense Force that was built was kept unusually subordinated to political authority, not being allowed until as late as 1977 even to study how to meet a hypothetical emergency. The simple truth is that most Japanese in that period felt that the Self-Defense Force would be better dissolved or, if kept, used primarily for disaster-relief.

As the realists in Japan pointed out, Japan was able to indulge these deeply felt sentiments of pacifism and non-involvement in the military security problems of others and even in large part of its own, by relying on the Mutual Security Treaty with the United States. Under this Treaty, Japan offers facilities and areas on its soil to the United States, from which American forces may be deployed to maintain peace and stability in the Far East—understood also to be in Japan's own interest. In return, the United States is obligated to defend Japan against armed attack on any territory under Japanese administration. It is this American commitment on which Japan has relied for thirty years as the principal deterrent against Soviet or other aggression in its area It is also the reliability of that deterrent that has enabled Japan for the bulk of that time to pursue its unique detente policy toward the Soviet Union, even in the face of overwhelming Soviet power.

So much for the rationale of Japan's response to Soviet power in the fifties, sixties and early seventies. Japan played the infield of non-involvement and detente, leaving it to the United States to play the outfield of commitment and deterrence. It worked well. Japan enjoyed a generation of peace and rising prosperity unprecedented in its modern history.

JAPAN'S CHANGING ROLE

These facts relating to the old policy are well known. Far less appreciated is the fact that beginning in the 1960's and increasingly thereafter the balance of forces that made this policy seem both desirable and possible began to shift. Firstly, the apprehension of Soviet power began to increase with the formidable strengthening of Soviet forces on the Chinese border following the clash on the Amur River in 1969. Then came the extensive build-up throughout the seventies and into the eighties of the Pacific Fleet, the stationing of a division in the islands Japan looks on as its own Northern Territories in 1979, the movement into the Soviet Far East more recently of such advanced systems as the SS-20's, Backfire bombers and a Kiev-class aircraft carrier, and the increased sightings of Soviet weapons reported with greater frequency in the Japanese press.

Some Japanese incline to the view that the building of the new BAM railway and extensive planning for the development of Siberia indicate that the Soviet Union intends to shift its center of gravity eastward and become a great commercial power in the Asia-Pacific region. It may therefore be building its power defensively to protect that future. Others argue that the purpose of these forces is not so much to protect the Soviet Union's commercial future as to make up for its economic, cultural and technological weakness in the present. Those holding this view take seriously indeed the Soviet desire to become a global power at least equal to the United States in all parts of the world. They believe that, in lieu of other assets, the Soviets are determined to stake their claim in the Asia-Pacific region on the strength of their military forces. These fears have been strengthened since 1978 by the Soviet offer of a treaty of friendship and cooperation which appeared designed to wean Japan away from the United States. They were raised again by the Soviet invasion of Afghanistan, its support for Vietnam in the invasion of Kampuchea, and its apparent acquisition of certain basing rights in both these countries.

Secondly, beginning in the mid-sixties when the Japanese economy came into its own, surpassing all others except for the United States and for a while the Soviet Union, and increasingly in the seventies and early eighties when Japan proved to be more effective than any of the other major industrialized democracies in coping with the problems of global recession, Japan has begun to feel its oats. Once again confidence is flooding the Japanese psyche. It brings with it a new willingness to accept—perhaps one should better say an eagerness to confirm, the long-held view of outsiders that in its economy Japan is a super-power and as such it should leave the passenger seats and take its stand with others at the throttle of world affairs. Which tracks it should ride on and at what speed has become a major preoccupation of Japanese political leaders, but no one doubts that Japan must carve out for itself a new role in world affairs—more active, more committed, more leading.

Thirdly—and it is very important that we Americans understand this—the American prestige balloon has finally been pricked. The social turmoil in this country in the sixties—the race riots, the revolution in relations between the sexes, the revolt of the youth, led many Japanese to question then and often for the first time in the post-war period whether American society was really the model they wished to follow. Our failure in more recent years to manage our economy and keep our productive edge has convinced other Japanese that in economics as well, the United States is slipping. The same sentiment has also begun to take hold in the military field.

In the late sixties and early seventies the Vietnam War shocked many Japanese, who felt either that the United States showed bad judgment in entering in that, having entered it, it revealed disturbing weakness in losing it. The Guam Doctrine in 1969, the repatriation of a division from Korea in 1972, the final ignominious withdrawal from Saigon persuaded additional Japanese that the United States was in fact a wounded tiger, engaged in an historic withdrawal from the Asia-Pacific region. It is against this backdrop of impressions that the Japanese read the failure of the United States to keep pace with the military spending of the Soviet Union over the past decade, its inability to maintain deployments in the Western Pacific when demands in the Persian Gulf are high, and the slide in its nuclear position from one of superiority over the Soviet Union to one of parity and now, the President tells us, inferiority.

The Japanese have not drawn the conclusion that the balance of power has yet shifted in their own area or the wider Asia-Pacific region—at least not irretrievably. But they do believe that American power in the world is in relative decline, making its availability for the defense of Japan and its interests increasingly problematic in the years ahead. It is hardly surprising that Japanese polls for some time have been showing a substantial proportion of the population do not believe the United States would come to their defense in an emergency.

It is these perceptions of a growing Soviet threat, a declining American capability, and a strengthening consensus in Japan to act, that are, I believe, now shaping a new Japanese response to the Soviet challenge. This new response takes three principal forms.

One is to increase the efficacy of Japan's military build-up, this year at a growth rate of 4 percent in real terms, which is higher than that of any of our NATO allies. The present push did not begin with the invasion of Afghanistan or the intensified pressure from the American Government in the Carter or Reagan Administrations, but as long ago as 1976. In the apprehension of American gradual withdrawal from Asia following the Vietnam debacle, the Japanese Government in that year adopted a National Defense Program Outline, which for the first time set an objective of operational capability before the Self-Defense Force: "the maintenance of a full surveillance posture in peacetime and the ability to cope effectively with situations up to the point of limited and small-scale aggression." This objective was to be sought by qualitative rather than quantitative improvement, supported by annual appropriations according to a rolling series of Medium-Term Defense Build-up Plans. The current Plan is for FY 1980–84.

The second is to take steps to strengthen the American commitment to Japan's defense and make better use of it. The effort began in 1975 with the agreement to establish a joint subcommittee on defense cooperation. It was extended dramatically in 1978 with a joint agreement on Guidelines, under which Japan agreed for the first time to join with the United States in planning combat operations in which Japan would engage defensively with the United States. In return, Japan secured from the United States also for the first time the promise to maintain nuclear deterrence, deploy its forces forward and retain support strength. Since then concrete planning has gone forward, reaching the stage now of considering possible cooperative action in the case of situations in the Far East even outside of Japan. America's presence is being increasingly financed by the Japanese Government; and Japanese planning is being supplemented by joint exercises.

The third is to take a stronger diplomatic stand. Japan has, for example, supported the United States in imposing economic sanctions on the Soviet Union for its invasion of Afghanistan. It has offered economic aid to such countries as Turkey, Pakistan and Thailand, which were felt to be under security threat from the Soviet Union and its Allies. It went ahead with a peace treaty with China in 1978 in spite of Soviet objections. It has affirmed more openly its affiliation with the industrialized democracies of the West while at the same time exploring closer ties with its Third World neighbors to the South.

THE SHORT-RANGE VIEW

There are, of course, two ways you can look at these developments. You can do what we Americans often do: take the short-range view. Don't look back to where Japan has come from and don't look forward to where Japan may be heading. Just look at Japan's attitudes and actions today, judge them to be inadequate to meet the challenge which *we* believe the Soviet Union presents to Japan and to *us*, and flail about for a quick fix. Several quick fixes have been suggested.

The one most available and the one most often referred to in emotional circles here in Washington is to "beat the Japanese over the head." Demand that they spend "x" percentage of their GNP for defense, increase their military budget by "y" percentage each year or strengthen their operational capability by increments of "z" annually. Threaten to punish them with retaliatory trade restrictions if they do not jump. The difficulties are that over the past thirty years Japanese defense policy has proved itself to be relatively impervious to American jawboning; and linkage to trade policy could hurt us as much as them. The most likely result would be not so much a rapid change in the Japanese military build-up as a rapid heightening of Japanese resentment and an equally rapid lowering of Japanese respect for our rationality. Both sentiments would incline Japan more in the direction of going it alone, a course disadvantageous to the United States.

A second quick fix that has been proposed is to renegotiate the Security Treaty, insisting that Japan accept far wider and clearly collective military obligations than it has heretofore been willing to. The difficulty with this solution is that the outcome is by no means quick or predictable. The Japanese people and Government are simply not ready at this time to take on such new, formal obligations. It is only within the last few years that the majority has reached a favorable conclusion on the present Security Treaty. To press a renegotiation now would break that majority, polarize the country and threaten the political stability on which our whole relationship depends.

Some would go farther and execute or at least threaten a military pull-out. This would of course violate the spirit of the Security Treaty and the clear terms of the 1978 Guidelines agreement, both of which are fundamental to the cooperative operational planning we are now engaged in. It would no doubt have a great shock effect on the Japanese Government and people; but, it is hardly a viable option. We would be weakening our own capability throughout the Asia-Pacific region for which the bases and cooperation of Japan are so vital. At the same time we would probably be forcing Japan into a rearmament effort, not in cooperation with us, but in isolated irritation toward us.

Other observers go so far as to wonder whether we should be shifting the center of our security policy in Asia away from Japan and toward China. With China's vast size and nearly one billion population, its more than two-decade old hostility to the Soviet Union and its readiness for increasing strategic cooperation with the United States, why pay so much attention to the sensitivities of the Japanese? Why not forget the Japanese, concentrate on advancing military assistance to the Chinese and move farther along the path from cooperation to quasi-alliance and even possibly to alliance?

The answer to this proposal is two-fold. First, we do not have here an either/or situation. The roles Japan plays in our security posture—the offering of facilities for the deployment of our forces in the Far East and the provision of unparalleled, even decisive human and economic resources to our side of the world balance, have no Chinese substitutes. And the roles China plays—restraining its own ambitions in Korea, Taiwan, Southeast Asia, and the Indian frontier, and pinning down the Soviet Union's vast land-based forces in Asia along China's frontiers, thereby discouraging the Soviets from their own adventures in the Asia-Pacific region while preventing their concentration in Europe or the Middle East—these are are roles for which Japan can not be substituted. We must cultivate both.

In any event, the Chinese connection is riskier than the relationship to Japan. The internal political stability of China and its economic prospects are quite uncertain. So is the future orientation of its foreign policy, particularly if it were to gain substantial strength. Its social structure and value system remain fundamentally antithetical to our own, the revolution of the Third World which it seeks to lead stems from a different world view from our own, and our friends in the Asia-Pacific region at least have longer memories and stronger apprehensions than our own of the inexorable pressures which powerful Chinese regimes are inclined to exert on their smaller neighbors.

If we are realistic, we will value highly China's strategic cooperation and seek to develop it cautiously, but we should make no mistake that it ever has or at least in the foreseeable future ever can replace a vital Japanese connection. The China tie is unquestionably desirable if it can be managed. The Japanese tie is essential and *must* be managed. We should have learned that lesson in 1941.

THE LONG-RANGE VIEW

I would hope that this Committee would reject these deceptive, quick-fix solutions and adopt a more fruitful stance toward Japan based on a longer range view. That view would have several elements:

(1) An acknowledgment that the Japanese are not naive about the Russians. They may not believe the Russians are ten feet tall as do some Americans. The failures of the Soviet economy have made a deep impression. They may not believe that the Russians are planning an attack on Japan or any other country in the Asia-Pacific, now or in the near future. They may not in fact believe that the balance of power in the Asia-Pacific region has yet shifted adversely. But then, most American analysts do not either. On the other hand, the continuing Soviet arms build-up has made a deep impression on them, feeding the fears of a hundred years' bracing against the Russian movement to the East and the memories of two wars against the Imperial Russian and the Soviet power. The Japanese can be counted on not to give away the farm.

(2) A recognition that the Japanese people are not mired in an uncommitted, demilitarized, diffident policy characteristic of a generation ago. For reasons that include the Soviet challenge, but are not limited to it, they have been engaged for more than a decade in recasting their views of the world, the United States and themselves. They are clearly on the road to becoming an all-round great power. Just what kind of great power they will be is not yet well defined, but so far it involves features that appear very favorable to American interests: a more active diplomacy in cooperation with the modern industrialized democracies of the West and the less developed and newly developing countries, particularly in the Asia-Pacific region; a modest, but certain and rationally conceived increase in the build-up of its armed forces; and a new intensity in its pursuits of both economic and military cooperation with the United States.

(3) An appreciation that whatever track Japan elects to move along, once the decision is made, the Japanese locomotive can barrel ahead with extraordinary speed. We should remember how fast the Japanese have come up economically, so much so that by the end of this decade they are expected to surpass ourselves in per capita GNP. If they decide to become a diplomatic and military power within the decade, we should understand that they can achieve that objective too.

It is important therefore for the United States to encourage Japan to remain on the security track it is beginning to lay down. What does this involve?

First of all, refraining from scapegoating Japan for our own economic and military inadequacies, and instead recovering our capacity to run a viable economy and devising a moderate, but firm policy toward the Soviet Union which can assure Japan, our Allies and the Soviet Union as well that we can stay the course in the Asia-Pacific region as elsewhere without threatening or inviting war.

Second, raising the priority of the Asia-Pacific region in our security policy, treating it less as a reserve area for the Persian Gulf and reconfirming our capability and intent to deploy the minimally necessary supporting forces there at all times.

Third, devising a more sensitive policy toward Japan, one that is not so arrogant and demanding as to antagonize the Japanese, nor so hesitant as to exacerbate their worry about our weakness, in short, one that is cooperative and forthcoming, designed to encourage Japan to advance rapidly in the positive direction it is already taking.

Thank you.

Senator HAYAKAWA. Thank you, Mr. Morley, for an excellent statement.

What you say, Professor Morley, reminds me of something. Was not the Sino-Japanese war of 1894–95 fought partly because of Russia too, as well as the Russo-Japanese war?

Mr. MORLEY. There was certainly a concern about Russian expansion at that point, although the major concern was whether Korea could be freed from traditional kind of sovereignty which China had been exercising.

Senator HAYAKAWA. Weren't the Russians already moving into Korea at that time?

Mr. MORLEY. The Russians were already interested economically in Korea, particularly the northern section.

Senator HAYAKAWA. Thank you.

Admiral Holloway, as you may have heard, both Senators Roth and Levin testified this morning in favor of the passage of a congressional resolution calling on Japan to increase its defense expenditures to at least 1 percent of GNP. In your testimony you argue against public criticism of Japan in this regard.

Does that warning extend to any congressional comment on this issue? Do you oppose the Levin resolution, if you had to vote on it?

Admiral HOLLOWAY. Yes, sir, I do. I understand the reasons that prompt such a congressional resolution, but I am against it because I do not think it will do any good. I do not think that the Japanese will appreciate it. I believe that we are better off officially dealing with Japanese contributions to our mutual defense in terms of roles and missions, and rationalizing the kinds of armed forces and kinds of military capabilities that they should gain, rather than establishing fiscal levels.

On balance, I believe that it will not do a great deal of good toward improving the effectiveness of the treaty that we have today. It will be offensive. I think that there is a different tack that we can take to accomplish the same thing, and I think that we and the Japanese are embarked on that course, at the present time.

Senator HAYAKAWA. Thank you. I think while we are on that question I would like to ask Dr. Colbert and Professor Morley the same question. If you were in the Senate and had to vote on Senator Levin's resolution, would you vote yes or no?

Mrs. Colbert. If I were fortunate enough to be in a position to vote, I would vote no, I think, for the same reasons that both Professor Morley and Admiral Holloway have touched on.

Senator Hayakawa. And you would vote no, too, I take it?

Mr. Morley. Yes, sir. I should vote no if I had the privilege.

Senator Hayakawa. OK. That is very interesting. That bill does have 48 cosponsors. Of course, we may have such a resolution whether we like it or not. There is considerable congressional sentiment. Is it 48 cosponsors now—48 today. I am not one of them, by the way.

Is there a substitute that we could pass that would be more useful? I ask that of all three of you.

Admiral Holloway. Mr. Chairman, if I may volunteer for the group, I believe there is. I think there is a substitute that in the mind of the administration, and certainly in my mind, would be preferable. Unfortunately, I am not sure that it would be preferable to the sponsors of these resolutions. Because, having heard their testimony this morning, very clearly they want something tangible—a yardstick against which to measure Japanese performance.

My experience in the military has been that it is very seldom that one can get those kinds of yardsticks to measure success or failure of military planning, except by actually going to war—and that, of course, is what we are preparing ourselves to avoid.

What would be most useful, would be a resolution on the part of the Senate and the House expressing our great national interest in the Pacific Basin and in Japan, and that is the keystone of our foreign policy and our defense strategy for that area, in other words, use the carrot a little bit more than the stick.

As I have said—and I remember very clearly as I was on active duty at the time—between 1976 and 1978 the Japanese were very apprehensive because of statements being made by the administration, that our military strategy was a NATO-first philosophy.

I do not believe that the public attitudes of a nation as established and literate as Japan can be so manipulated to have them convinced that they must renounce war and then in the space of a few years convince them to rearm. We all have to be reminded that the Japanese Constitution essentially renounced warfare and provided them only with self-defense forces. The term "military" was eliminated from the description of their armed forces. After two generations of Japanese have grown up with this attitude, we are now turning it all around and asking them to develop powerful military forces that can project military power and influence throughout the entire Western Pacific and Indian Ocean.

I believe we just have to be careful in our approach to convincing Japan to make such a radical change in national policy.

Senator Hayakawa. Thank you, Admiral. Professor Morley?

Mr. Morley. I would just add that it does seem to me if it were politically necessary for a resolution to be offered, the admiral's suggestion is a very useful one. At least one element should be a reaffirmation of the American commitment to the security of that region, which many people there continue to doubt, and, second, a welcome of a greater Japanese role in the security of Japan and the region, without specifying in detail how that is to be achieved, which seems to me to belong to the executive branch to negotiate.

Senator HAYAKAWA. Thank you. Dr. Colbert?

Mrs. COLBERT. I would agree very strongly with what both of the witnesses have said. I would add that there is still considerable concern in the Pacific area with the long-term firmness of the American commitment to the Pacific region.

I think many of the statements made by the executive branch from time to time are taken as expressing the views of the East Asia Bureau of the State Department or the State Department itself and there is uncertainty as to whether these are fully endorsed by the Congress or the American people.

I think also there is a concern in all of the region, including Australia and New Zealand, with the long-term strength of the United States-Japan relationship. All of our friends and allies in Asia regard this relationship as central. They see it as serving two purposes—a major contribution to the security of the Pacific, including a continued U.S. presence there, and, on the other hand, a brake against the possibility that Japan might become too predominant in the region or that the United States might turn too far toward China, which all of them regard with some apprehension.

It seems to me, therefore, that a resolution of the general type described would be helpful in allaying a number of concerns.

Senator HAYAKAWA. Thank you very much.

I shall report your views to both Senator Roth and Senator Levin. I think it is important that they be reported.

Let me proceed with another question. Admiral Holloway, you said that the most important function Japan could perform from a U.S. point of view is to have and use the capability to assist us, if necessary, in blocking the exits to the Sea of Japan out to the Pacific and bottling up the Vladivostok-based Russian fleet units and to prevent movement of Soviet long-range aircraft from their bases in the Vladivostok complex to the shipping lanes of the Pacific Ocean.

Does Japan have this capability now? Does it have the capability to bottle up the Soviet navy and air force in its Vladivostok base?

Admiral HOLLOWAY. I would say no, Mr. Chairman, Japan unilaterally does not have that military capability. But with the United States as an ally, I think that one could presume we do. It would be a classified statement to express the degree of assurance that the United States and Japan, operating as allies in a conflict with the Soviet Union, could get it done. Since it is the key to our strategy for the Western Pacific and we are planning for it, I think we can assume that there is a relatively high degree of confidence that it can be done.

To answer your question explicitly, Japan does not have the capability alone. It would take a combined United States-Japanese effort, both to initially block the straits to keep the warships from exiting the Sea of Japan, and then to maintain the blockade which would be a combination of mining, air, submarine, and surface ship surveillance and operations.

The use of Japanese air bases to prevent Soviet long-range aviation—represented by the most advanced aviation technology, Backfires for example—from operating out of bases in northeast U.S.S.R. and overflying Japan into the Pacific sealanes. There, using antiship missiles, they would be devastatingly effective in interdicting our lines of communication across the Pacific and into the Indian Ocean.

This again, is a capability that would reside in a combined effort of the Japanese and U.S. Air Forces operating out of the Japanese islands.

Senator **HAYAKAWA**. Thank you very much.

When we talk about Japan defending its sealanes 1,000 miles beyond its shores, what are we talking about? Are we talking about the South Pacific?

Admiral **HOLLOWAY**. Mr. Chairman, my understanding is, not having seen the detailed backup to the formal statement made by Mr. Suzuki, that if one were to draw a line 1,000 miles distant from the perimeter of the Japanese islands—and I am going to presume that Okinawa is included—the Japanese would undertake to defend those sea lines of communication within that outer perimeter interdiction from hostile submarines, surface ships, and aircraft.

For this task the Japanese would need a navy consisting of ships, submarines, and aircraft capable of detecting and destroying Soviet nuclear submarines, sink Soviet surface ships, and of high performance fighters that could shoot down long-range Russian aircraft. This is not as broadly capable a navy such as the U.S. fleet which includes, for example, amphibious forces and aircraft carriers to project military power ashore. It would be a relatively small navy compared to the United States or Soviet fleets, and limited in terms of the overall naval functions that could be performed.

Senator **HAYAKAWA**. I have one other question, sir. You state in your testimony that in the past there has been some concern among the Japanese that we may not have the forces necessary to provide support to our Pacific allies in the case of hostilities and that our orientation is toward Europe.

Press reports earlier this month indicated that the administration has fashioned a new military strategy for Asia which emphasizes a shift in planning and forces from Northeast Asia to Southwest Asia and the Indian Ocean. Administration officials at least week's hearing in this series denied that there had been any change in U.S. policy.

What has been the policy in the past? Has East Asia been placed in a position of second priority to Europe and other regions?

Admiral **HOLLOWAY**. Mr Chairman, I think there we are faced with a basic consideration, and that is when one goes to war one puts his military forces where the enemy is. We do make plans prior to conflict for the deployment of forces to either deter a move on the part of an enemy or to anticipate where his thrust may be and, therefore, be better prepared to contain it.

I can say that during the Carter administration there was considerable emphasis on a NATO-first concept of a U.S. military defense posture. I do not believe that we could say that it was a policy officially enunciated by the President. But certainly the senior officials in the Department of Defense and in the State Department alluded to the fact that our primary interests lay in the direction of Europe, and that if there was not enough to go around in terms of military forces to take care of all contingencies, Europe was going to have the priorities.

In my recollection there was a visible reaction in 1977 on the part of the Japanese to these statements, and subsequently, Secretary of Defense Brown visited Japan to reassure the Japanese.

As I understand the emerging foreign policy of this administration, examine the 5-year defense plan, and read Secretary Weinberger's statements, all indicate that we are again facing up to our responsibilities in the Pacific. We are acknowledging that the Soviet Union, really our only major antagonist, is a Pacific power as well as a threat to NATO, and this administration apparently intends to respond to Soviet initiatives any place in the world, and that includes the Pacific Ocean and the Indian Ocean.

From the Secretary of Defense's annual posture statement, it is very clear that the military buildup set forth in the 5-year defense plan to enable the United States to respond to Soviet initiatives on a global basis.

Senator HAYAKAWA. Thank you very much. Your answer is most reassuring.

Dr. Colbert, some Asian analysts have proposed that ANZUS be expanded to include Japan. That is a far-out idea, but some argue that it could provide the same multilateral context for Japanese rearmament as NATO has provided for Germany. Do you see any possibility of something like this developing in the future?

Mrs. COLBERT. I do not think that is a very likely prospect, sir, either from the Japanese perspective or from that of Australia and New Zealand. Japan, on the one hand, and Australia and New Zealand on the other, have a very special kind of relationship with the United States, a different relationship, which is valued in different ways.

The possibility of a PATO to match NATO has been talked about off and on for many years, almost, in fact, since NATO was organized. But the trend in the Pacific has been in a different direction—an accumulation, if you will, of security and other arrangements, bilateral and multilateral, that add up to a defense structure: United States-Japan in the north; United States-Philippines in the middle; ANZUS in the south; in between an important political relationship with ASEAN on the part of the United States, Australia, New Zealand, and Japan; defense arrangements between and among the ASEAN countries, and the now more active five-power defense arrangements that I mentioned earlier. All of these arrangements interlock in an informal, very flexible, understood, but not too specified, way. This strikes me as probably the most useful way to look at security arrangements in the Pacific region.

Senator HAYAKAWA. There have been suggestions, have there not, of a Pacific community of like-minded and friendly nations which would focus primarily on economic issues that would include Japan, the United States, Australia, New Zealand, and the ASEAN nations, among possibly other nations as well? Is there such a proposal before these nations now? What is the status of the proposal?

Mrs. COLBERT. The proposal, I would say, is being actively considered and worked on among all of the countries involved, but not as an official proposal to result any time soon in a formal organization.

There are still a great many questions about what should such an organization do, whom should it include, how should it function and, most particularly for the ASEAN countries, would their organization—very successful to be sure, but still small and growing—would their organization be overwhelmed by inclusion in a broader Pacific Basin organization?

Senator HAYAKAWA. I understand that there is criticism of ANZUS within Australia and New Zealand and not universal support for this alliance. If the opposition parties came to power in either Australia or New Zealand, would you expect to see a change in commitment to ANZUS?

Mrs. COLBERT. Let me say first, Senator, that although there is criticism in both countries of ANZUS in general, and of specific aspects of the relationship, there are very few serious people in Australia and New Zealand who would wish to see the relationship abandoned. There are those who urge that ANZUS take on a formal nonmilitary complexion, sponsor economic programs, for example. Those people, I think, do not realize the extent to which the ANZUS relationship, broadly speaking, is already doing that sort of thing.

There are those who feel that the United States, because of the importance it ascribes to the ANZUS relationship, should have more concern with the trade problems of its ANZUS partners—the question of beef imports, and, more recently, sugar imports from Australia, for example. There are those who feel in New Zealand that visits of nuclear-powered warships should be abandoned as irrelevant to the ANZUS alliance and as creating dangers for New Zealand that would not otherwise exist.

Both of the opposition parties, the labor parties in Australia and New Zealand, have made suggestions in their party conferences, for revisions of certain of the agreements under the ANZUS alliance or of the alliance itself.

What would happen should either party come to power is another question. I would remind you that the Whitlam government came to power in Australia at a time when it appeared that the Australian Labor Party wished to end some of the arrangements for joint military facilities in that country. In fact, the arrangements were reaffirmed under the Whitlam government.

I believe that the Labor Parties in both countries, despite some internal divisions even among the leadership as to their future policies should they come into office, would be primarily concerned to retain the American connection, which is also a very important part of the Australia-New Zealand connection and that we would find it possible to deal with either Labor Party in office in ways that would preserve the basic elements of the ANZUS alliance.

Senator HAYAKAWA. Thank you, Dr. Colbert. There is just one last question that I would like to ask of you, Dr. Colbert.

Australia has a squadron in Malaysia. That is correct, is it not?

Mrs. COLBERT. Yes, an air squadron.

Senator HAYAKAWA. There is some talk of withdrawing it, I understand, for budgetary reasons.

Mrs. COLBERT. That talk, I think, has become less vocal. The reasons were essentially budgetary and the obsolescing state of the aircraft. The change in both Australian and New Zealand attitudes toward the stationing of forces in the Malay Peninsula reflects their recognition that although these forces are small, at this time, when ASEAN confronts Vietnam and is in need of political and moral support from its friends and allies, it is important that that presence be retained.

Senator **Hayakawa**. Thank you very much. I want to thank all three of you for an extraordinarily enlightening hearing. All of our hearings here have been interesting, but this one has been extraordinarily so because of the contributions of each of you—Admiral Holloway, Dr. Colbert, and Professor Morley.

I am very grateful to all of you. All of our discussions will go into the record. Your statements will be inserted in the record in full. Let me thank you again for your participation.

This meeting is adjourned.

[Whereupon, at 11:15 a.m., the committee adjourned, subject to call of the Chair.]

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